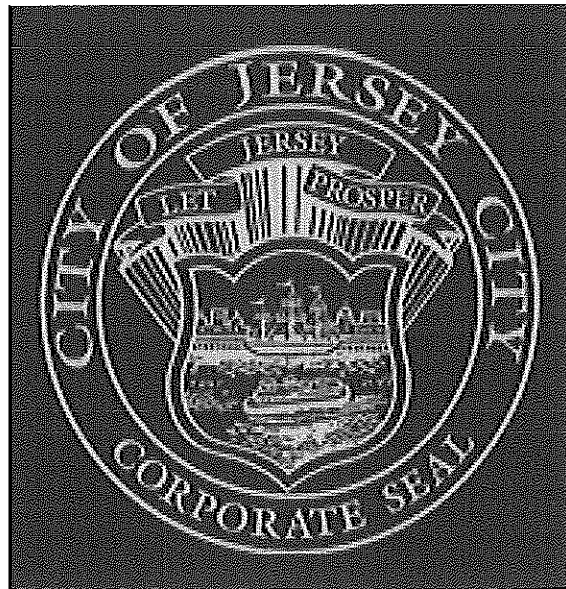


Jersey City New Jersey  
2013 Mayoral Transition Report  
Mayor Steven Fulop



Co-Chairs, Transition Team  
Freeholder William O'Dea  
Senator Sandra Cunningham

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July 1, 2013

Hon. Steven M. Fulop, Mayor  
City of Jersey City  
City Hall  
280 Grove Street  
Jersey City, NJ 07302

Dear Mayor Fulop:

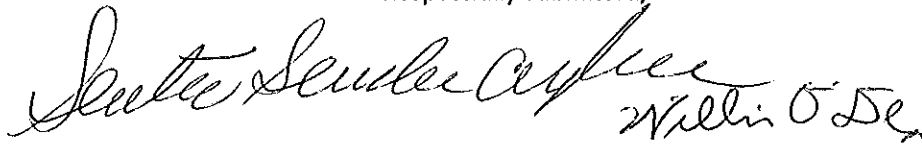
On behalf of the members of your Transition Team, we are pleased to submit this Transition Report. We are pleased to have had the opportunity to review the operations of the City's numerous Departments and Independent Authorities, and to provide our ideas as to how the City can streamline government, reduce waste, improve efficiency of operations and provide accountability to better the citizens of Jersey City.

We want to thank Mayor Healy and his outgoing administration for their cooperation; they provided answers to numerous requests for information. City and independent authority staff were also very helpful in providing for a smooth transition.

In preparing this report, under the daily supervision of the Transition Counsel and the Director of the Transition Team, committee members met numerous times and digested and discussed thousands of pages of documents to produce this Report.

It has been only six weeks since your election. Therefore, this Report cannot be all inclusive. However, it is intended to provide some initial observations on the issues immediately facing the City and recommendations on ways to provide for a more efficient and accountable City Government. Implementation of many of these recommendations will take time and further in-depth analysis. The Committee stands ready to assist further in whatever capacity you and your senior staff desire.

Respectfully Submitted,

The block contains two handwritten signatures. The first signature, on the left, is written in dark ink and appears to read 'Sandra Cunningham'. The second signature, on the right, is written in a lighter ink and appears to read 'William O'Dea'.

Senator Sandra Cunningham      Freeholder William O'Dea

## **II. Transition Team Members**

### **A. Co-Chairs**

Freeholder William O'Dea and Senator Sandra Cunningham

### **B. Counsel**

Jeremy Farrell, Esq.

### **C. Director**

John Thieroff

### **D. Committee Members**

Budget and Financial Operations Review Team, Henry Amoroso, Chair  
Keith Balla, Tom Banker, Alex Habib, Jack Kelly, Peter O'Reilly, John Thieroff and Karen DeSoto

Public Safety Operational Review Team, Larry Mone, Chair  
Bill Braker, Sam DeMaio, Anthony Diauto, Rick Friedberg and Juan Perez

Departmental Operations Review Team, Eric Shuffler, Chair  
Paul Bellan-Boyer, Anthony Cruz, Greg Lavee, Jamie LeFrak, Dan Levin, E. Junior Maldonado, Rev. Charles McKenney, Carlos Medina, Aaron Morrill, Doug Palmer, Jamie Santana and Brian Nelson

Executive Recruitment, Sangeeta Ranade, Chair  
Muhammed Akil, Jeremy Farrell, William Harla, Trish Mueller, Ellen Simon and John Thieroff

Workforce Development, Training and Reentry, Henry Plotkin, Chair  
Muhammed Akil, George Blount, Brooke Hannson, Nancy Lamboy, Raquel Mazon-Jeffers, James McGreevey, Analilia Mejia, Pat Patel and Troy Singleton

Real Estate/Redevelopment/Business Climate-Outreach, Jeremy Farrell, Chair  
Dave Barry, Dania Caballero-Garcia, Michael Capelli, Jim Dowling, Jamie Fox, William Harla, Karim Hutson, June Jones, Jeff Kaplowitz, Jamie LeFrak, Phil Rivo, Eric Silverman and Kevin Brown

Independent Authorities, John Thieroff, Chair  
Dan Becht, Althea Bernheim, Dave Donnelly, Edward Florio, William Harla, Bill Katchen, Ron Russel and John Seborowski

Cultural Development and Tourism, Elizabeth Cain, Chair  
Ric Ayala, Dan Boguszewski, Uta Brauser, Shani Friedman, Craig Goletz, Dale Hardman, Jarl Haugedal, Catherine Hecht, Rev. Charles McKinney, Maria Nieves, Charles Rosen, Tim White, Daoud David Williams, and Billy Michael

Legal Review, Jeremy Farrell, Chair  
Ramy Eid, Bernard Kenny and Ralph Lamparello

Recreation/Education, Dr. Marcia Lyles, Chair  
Carol Arnold, Dr. Eugene Cornacchia, Christy Davis-Jackson, Dr. Sue Henderson, Linda Mayo,  
Rev. Reginald McRea, Felicia Noth, Shelley Skinner and Arie Sladowsky

IT Initiatives, Candice Osborne, Chair  
Sabastian Bernheim, Steve Davision, Michelle Edwards, Owen Gunben, Joe Harkins, Pete  
Landt, Bob McHugh, Rob Crow and Stephen Musgrave

### **III. Executive Summary**

#### **I. Budget and Financial Operations Review**

The committee was charged with providing an overall assessment of the City's budget and providing recommendations for short and long term adjustments to security savings and efficiencies for the City. The City is facing a structure deficit of upwards of \$20,000,000 with significant pressure for that gap to widen because of contributing factors such as contractual obligations and separation payouts based upon legacy contract issues. The City needs to ensure that it generates recurring revenue to address these concerns and ensure its ability to eliminate its structural deficit. To do so, the committee recommends that the City adopt a budget that calls for a 4.68% tax increase which will aid the City in reducing its historic reliance on one-time revenues as a means of addressing its structural deficit. The committee also has the following recommendations for the Fulop Administration

#### **Expense Cycle Review Recommendations**

1. **Pension Plans** - It is the Committee's recommendation that the City study implementing some or all of the recommendations in the Buck Consultants analysis of the Jersey City Pension System. The City should also explore whether it should advocate for legislation allowing new city employees to enter under an alternative pension plan, such as a defined contribution plan or PERS, rather than the Jersey City Pension System.
2. **Coordination of Services** - The Committee recommends that the City look at coordination of city services to determine if cost efficiencies can be obtained through shared service or intergovernmental agreements or private/public agreements that may result in defraying expenses, and/or generating revenue.
3. **Modernizing the City's Payroll and Financial Transactions** - Recently enacted State legislation provides that the municipality can use direct deposit for its employees and issue paystubs digitally using an employee login account. The City should consider this and other methods of modernizing its payroll to generate savings in the long-run. Additionally, the City should investigate on-line or other electronic payment modalities for accepting cash equivalent or credit card payments from customers.
4. **Refinancing of Bonds** - The Committee has had the opportunity to discuss and assess the significance of refinancing any outstanding bonds that were negotiated at higher rates. While it is common practice to refinance, the Committee recommends the City actively seek opportunities to lower interest payments where possible.
5. **Merger of DPW and Jersey City Incinerator Authority** - The City should eliminate the duplication of services between these two entities and should give further consideration to merging the JCIA into the DPW. As part of this analysis the City should explore efficiencies that may be obtained through shared service agreements with other municipalities or the county.

The committee believes that there can be significant savings and improved transparency through such actions.

6. **Absorption of the Parking Authority** - The Committee recommends the City consider merging the Parking Authority within the Police Department as a potential source of sustainable savings. The City should also examine whether the Parking Authority is receiving appropriate revenues on private property from high-rise buildings where a tenant is paying a fee to park in the building.
7. **Modernization of Payout for Separation** - The committee's recommendation is that the new Administration develops an electronic system that modernizes the separation process. Currently the audits are collected on index cards and loose-leaf notebooks which are not conducive to an efficient separation process.

#### **Revenue Cycle Review Recommendations**

The Committee recommends that the new administration undertake a comprehensive review of current sources of revenue, such as permits, licensing fees and taxes to determine whether there are opportunities to improve efficiencies, eliminate waste and modernize operations. In addition to this general recommendation, the Committee recommends the following specific proposals:

1. **Land Sale** - The current budget includes a one-time land sale expected to produce a one-time revenue of approximately \$12,000,000.00. The Committee believes that this land sale should be revisited and that additional appraisals should be conducted. We also believe that this property should be properly marketed, appropriately valued and viewed towards a potential contract in 2013. The City should also explore the sale of properties in Morris County to the State of New Jersey's Green Acres program.
2. **Taxi Medallions** - The City should continue taxi cab medallion sales as a means of supplementing the budget.
3. **Expand Advertising Space** - The City should consider potential revenue from selling advertising space on city owned property (including the utilization and deployment of billboards) and explore through corporation counsel the feasibility of advertising on the city's cable network.
4. **Port Authority** - The City should audit its current agreements with the Port Authority and evaluation opportunities to improve those agreements.
5. **Police Ticket Book** - Police officers who currently use an electronic ticket book should have available to them a standard City ordinance book and should be trained to issue violations and enforce the City code as part of community enforcement efforts.
6. **Delinquent Receivables** - The Committee has reviewed the existing plan to collect delinquent receivables; these receivables could be a significant source of revenue in the 2014 budget.



7. **Grants Coordination** – City departments or agencies do not appear to coordinate with one another for applying for funding. The Fulop Administration should consider re-establishing the Office of Grants.

## **II. Public Safety Operational Review**

The committee has learned that the Fulop Administration has engaged Safir Associates to conduct a review of the Jersey City Police Department. The committee has no desire to either prejudice or influence the review to be conducted by Safir. However, the committee has the following general observations and recommendations:

1. Hurricane Sandy affected almost every municipality in New Jersey; emergency response to the natural disaster in Jersey City was sporadic. Some have said that the new emergency management command center was underutilized. The Administration should evaluate the Office of Emergency Management and assess the City's response to the Hurricane and specifically the facility's performance during Hurricane Sandy. This assessment should include recommended improvements from lessons learned.
2. The Police Department should establish a Table of Organization and maintain a size of force that is necessary and appropriate to provide public safety in the entire community through a thorough evaluation and use of a Table of Organization. It is our sense that some divisions within the police department may have too many personnel assigned while other departments could use additional personnel. Redrawing and reallocating the districts may yield some operation efficiencies and cost savings.
3. Evaluate the number of false burglar alarms in the City and the extent to which such calls place a strain on police resources and consider establishing appropriate penalties for excessive incidents of false alarms.
4. Consider bringing certain functions of the Parking Authority within the supervision of the Police Department.
5. Consider more up to date technology for tracking and recording the use of sick, personal or vacation time.
6. Examine ways of increasing diversity in the Department to bring police closer to the community.
7. Examine lines of succession in the Department.
8. Consider additional training for personnel on community interactions.
9. Examine the process for the review and handling of civilian complaints.
10. Review the methods and technology used to create, measure and evaluation crime statistics.

### III. Departmental Operations Review

#### Recommendations to Create a Culture of Performance and Accountability

1. The Mayor must set the tone right away about what is expected from departments and departmental employees in terms of performance and how accountability for performance will be implemented.
2. *Institute Annual Employee Performance Evaluations* – Absent performance evaluations, there are no performance expectations and no way to measure whether individual employees and departments are meeting Mayoral expectations for performance. A performance based culture cannot be created unless employees are given expectations and reviewed accordingly. The Department of Administration should work with all Department Directors to develop the annual employee metrics and evaluations.
3. *Institute mandatory customer service training for all employees that interact with the public.* Mayor-elect Fulop has made clear his desire to create an operational culture that prioritizes more helpful and more knowledgeable interaction with the public. In order to achieve this, front line employees need to understand what is expected of them and given the training to meet those expectations. The Department of Administration should work with the State Office of Training or Rutgers University to develop a customer service training program that can be implemented throughout city departments and agencies.
4. *Public Assessment of Departmental Operations and Services* – Direct the Business Administrator to evaluate the use of metrics for individual departments to evaluate whether the current range of services meets the needs of the community both in quality as well as location.
5. *Develop a comprehensive plan for the location of City offices and facilities.* Direct the Department of Administration to undertake a Facilities review. Wherever possible, similar services need to be consolidated into one building or geographical area. See Department of Business Administration Review for greater details.
6. *Create Position of Chief Technology Officer and Task with Development of Strategic Technology Plan.* The IT office operates largely as a service function for departments. The primary mandate has been to ensure that software and hardware function properly. The IT office must transition from a service function to strategic planning and execution function on behalf of the departments.
7. *Use of electronic communications* (television, website, email and social media) as a means to engage and interact with the public needs to be prioritized for departmental actions. Direct the Department of Administration, Office of IT, to establish this as a priority for departments and work with each Department to identify appropriate programs and notifications that can benefit from electronic usage.
8. *Institute Operational Audits of Governmental Services and Programs.* Direct Office of Business Administration to develop a priority list and program for rotating, operational audits to assess program effectiveness, and cross departmental efficiencies.

9. *Create Official Hiring, Recruitment and Job Advertising Policy* – There is no official hiring protocol and no official mechanism to advertise or recruit for openings. Therefore, the process must be formalized and made consistent throughout all departments. Direct Division of Personnel to create and publish an official policy on how job openings will be noticed and advertised within government and filled. The Division of Personnel should be sole responsible for job postings, advertisement and compliance with all applicable laws and regulations. The Personnel Status Form must be digitized to better track job openings and status of applicants.
10. *Assess the compensation structure for senior and skilled personnel positions* – The Business Administrator should undertake a compensation review so that they can adhere to a compensation structure that will retain and attract the highest caliber professionals and ensure that residents receive the best services available.
11. Evaluate how each department identifies or allows secondary employment and determine the effect (if any) of secondary employment on primary employment performance. Explore whether there methods for using secondary employment to incentive primary employment performance.
12. Direct the Business Administrator to establish a blue ribbon panel to conduct a review of departments, divisions and functions to determine if there is opportunity to consolidate departments, divisions or functions to improve operational efficiencies, save money and improve customer services.
13. Direct the Business Administrator to examine succession planning for each Department or division to determine the succession plan accounts for the retirement or disability of employees and the continued functionality of the department or division in the absence of said individuals.
14. Evaluate the use of grant funds by each department and analyze whether a mechanism exists for proper coordination of grant applications and the use of grant funds or funding from non-traditional sources (such as foundation grants or gifts).
15. Direct the Business Administrator to conduct regular outreach to customers and constituencies to assess the quality and accessibility of services. Regular outreach can be through the use of web-based surveys or random quality assurance follow ups.
16. Immediately evaluate the City's policy on "outside employment. Many senior management members hold as many as two additional jobs outside their responsibilities in Jersey City; a city of Jersey City's size needs 100% of the attention of its senior staff. A clear and consistent policy concerning outside employment should be adopted and enforced.

**A. Jersey City Municipal Clerk Recommendations**

1. *Institute evening hours a few times a month for the Clerk's office:* As a means of providing better customer service, consider having evening hours a few times a month, possibly during the evenings of the council caucus meetings.
2. *Work with IT* to create searchable document management software program that allows the Clerk's office and the public to easily search its records. This initiative should including digitizing City Council resolutions to allow the public to search resolutions by a topic without first having to know the date which the topic was discussed.
3. *Citizens Service Act needs to be fully implemented and featured more prominently.* The Citizen Services Act required creation of an online directory, current membership and application procedure for boards, commission and agencies in Jersey City. It appears a limited portion of the information required is posted online. Assessing and completing what remains to be posted should be prioritized.
4. *Review City boards and agencies:* Determine which boards and agencies are necessary and still serve a function. Publish on the City's homepage any openings on the boards/agencies which have been determined to be needed. Create easily located links from the City's homepage of the boards and agencies functions and directories.
5. *Vulnerability of Records Center.* The move of the Records Center to a less vulnerable facility should be a priority for both the Clerk and DPW and coordinated discussion needs to be undertaken under leadership of BA.

**B. Jersey City Department of Recreation Recommendations**

1. *Link Recreation Website to Other City Agency, School and Non-Profit Organization websites:* No cost way to promote Recreation programs and integrate other City agencies to promote each other's services.
2. *Work with IT Office to put all forms online and develop plan for online program registration.*
3. *Use Recreation Department Registration Forms to Build Email/Social Media Constituent Database:* to communication with its constituents about upcoming events, programs, leagues, etc.
4. *Explore revenue opportunities through advertising at Recreation Facilities (not schools).*
5. *Strengthen Jersey City Recreation Foundation.* The Administration should immediately review the Foundation with an eye towards enhancing its ability to better attract corporate support to strengthen Recreation Department offerings.
6. *Strengthen the relationship between the Department of Recreation and the Department of Public Works* so that both better understand the need to deliver quality recreation programs to the citizens of Jersey City.

7. Discuss possibility of DPW implementing some staged staffing to ensure maintenance personnel are available to Recreation after 4 pm.
8. *Explore Recreation sponsored Community Nights (movie nights):* In addition to offering a community service, could create opportunity for other departments to engage with public on other services (e.g. Health Dept child immunization services).
9. *Assessment of City Recreation Programs:* To better ensure that Recreation is offering the right programs in the right places, the Department needs a better understanding on what residents are looking for and whether their services are geographically available. A plan should be developed to survey the community to identify unmet needs.
10. Assess how the City can outline all of its in providing program locations including schools, Y's, Loews and the Harmon Street pool.

**C. Jersey City Health & Human Services Recommendations**

1. *Determine feasibility of opening a second Children's Health Clinic:* The cost would be approximately \$250K, but providing another clinic that serves the opposite side of the City would provide an important public health services.
2. *Add Additional WIC Office:* WIC clinic is currently only at MLK Drive location. Support the current initiative to obtain State funds to support an additional WIC location to provide better customer service to program participants.
3. *Develop a Plan for Email/Social Media Stakeholder Interaction -* All customer populations should be readily accessible by email, social media, or phone, both for ordinary and emergency communications. The Department should immediately develop a plan to collect email addresses of people served by all HHS programs.
4. *Consolidation of Health Offices/Services* It is clearly desirable to have program administration consolidated in a single location. At the same time the Department needs to evaluate if it might better serve its constituents by offering key public health services (such as the Children's Health Clinic) at multiple locations.
5. The Health Division Director is currently housed at a location remote to most of their staff, complicating day-to-day management. Reunifying this division should be an immediate priority.
6. Evaluate the effects of the President's health care initiatives will have on how the City offers its services.

**D. Jersey City Department of Business Administration Recommendations**

1. The BA position is critical to implementing the policy and cultural changes Mayor-elect Fulop wishes to bring to governmental operations. It is critical that the position be filled with a strong leader who both understands government and Mayor elect Fulop's vision for a metric-driven, performance-based, accountable governmental operation. The BA must also be empowered and continually supported to apply policies consistently across governmental departments.

2. Reinstitute annual employee computer training - This was ended due to budget cuts several years ago and should be reinstated to promote efficiency and consistency across departments.
3. Review capabilities and use of cloud storage for cost savings. The IT office should review what services can currently be stored on the cloud, what services should be stored on the cloud but cannot and develop cost savings plan for cloud migration.
4. Digitization of Documents: Original digitization schedule worked in two phases. Some digitizing was completed but the overall process seemed to stop about 3 years ago. There are still many existing documents that need to be digitized. There also needs to be a strategy for digitizing new documents as they are processed.
5. Develop plan to digitize/automatic Council resolutions in conjunction with the Clerk's office develop a plan to digitize Council resolutions. This is especially disruptive to the procurement process. Purchasing waits for the official/adopted signed Resolutions before implementing contracts or purchases. Having them digitized and available online will expedite the process, increase employee efficiency and reduce costs.
6. Study consolidating the Divisions of Personnel, Payroll, Pensions and Health Benefits into a new Division of Human Resources: These functions have been increasingly computerized resulting in the need for technological coordination.
7. Evaluate the reorganization of Cultural Affairs, including an assessment of whether it is more appropriately located within another Department or Division. The goal of any possible move of Cultural Affairs should be to raise the profile of the Arts in terms of its City-wide impact and facilitate permit management.
8. Facilitate a discussion between Recreation and Arts to assess the demand/need for more arts programming for children.

**E. Jersey City HEDC Recommendations**

1. *Create a Jersey City Business Action Center* within the current Division of Economic Development to effectively serve Jersey City. The City needs a high profile entity that can maximize the economic assets of Jersey City and can engage developers and businesses earlier in the process of succeeding in Jersey City.
2. *Director of HEDC should evaluation the need for Increase staffing in the Building Department.* This is necessary both to provide higher levels of regular service and to handle the increase in work related to the present surge in construction. However, prior to increasing staffing, it is recommended that a thorough review of providing customer services on-line be undertaken to determine the most cost efficient of doing so.
3. *Improve Transparency and Efficiency of Hiring Process* – Institute aggressive approach to the Building Department's advertising and recruiting of inspector positions. A review salaries in comparable cities should be undertaken to assess whether there is a real issue in terms of

recruitment/retention. The City should consider whether additional compensation for holding multiple licenses is appropriate and an operational efficiency.

4. *Assess Hiring Technical Assistants for the Building Department:* Technical assistants (not Clerks) are licensed and can perform multiple functions, not just clerical work.
5. *Study creation of separate "line" for residential or large development projects* as a means to ease the process for residential homeowners with smaller projects.
6. *Spatial Data Logic (SDL)* – This initiative is much bigger than HEDC and requires strong leadership from IT to integrate this city wide and realize its potential to transform how government serves the public.
7. *GIS* - With IT, an understanding of how, GIS and SDL complement each other should be undertaken.
8. *Digitization of Document Storage* – The lapse of the digitization contract has created real vulnerability for departmental records. Development of a plan to digitize the existing documents and documents going forward should be prioritized.
9. Division of Planning should meet regularly with DPW/Division of Architecture to coordinate.

**F. Jersey City Department of Public Works Recommendations**

1. DPW indicated they track services requests for street repairs, tree-trimming, and automotive maintenance. They are used primarily for reporting, with little apparent analysis. DPW needs *greater emphasis on customer service requests and making response metrics a regular part of the quality assurance and quality control oversight conducted by senior staff within DPW.*
2. DPW manages a large workforce which is dispersed in the field. There seem to be only rudimentary capabilities for assessing work performed. Supervising this workforce and tracking their work is important to efficient operation of these functions.
3. *Explore the Expansion of service hours/Staggered work shifts.* DPW Director should explore whether it should either increase staff hours or expand or stagger work shifts to address simple Park maintenance requests that occur during summer evening hours when parks are heavily used.
4. DPW should work with IT office to analyze whether its current fleet management software is the most effective means of tracking assets or whether more appropriate software exists.
5. *Improve coordination with Dept of Recreation.* The public should not bear the brunt of the bifurcation of ball field permits and park maintenance. Better integration on staff maintenance and availability would assist in a seamless delivery of public services to recreation program users at times when services are needed.

6. *Absorption of certain JCIA functions into DPW/Space Allocation in new building.* There are numerous areas where DPW and JCIA perform similar services. A plan should be put together to merge similar services as appropriate.
7. *Procure ESCO vendor to implement energy audit recommendations* and realize citywide savings in building operations.
8. *Improve Communication and Coordination between City Planning and DPW's Architecture/Engineering.* A monthly division director meeting might be a start to ensure these departments share information about planned and future activities.
9. Assess the possibility of using the County Provident Bank building.
10. Evaluate the methods employed by the City to track the vehicle fleet.
11. Assess the potential benefits of instituting an "adopt a park" program.

**G. Tax Assessor Recommendations**

1. Improve technological integration and utilize the electronic transmission of information between the Assessor and other departments so that the Assessor is immediately aware of the need to conduct inspections on recently improved, demolished, or constructed properties.
2. If the SDL system (or equivalent) is implemented then the Tax Assessor must ensure that all relevant block and lot data is accessible to the relevant departments.
3. Engage county officials regarding technology integration and/or electronic transmittal of property records data along with the promotion of electronic filing/disposition of county tax appeals.
4. Examine whether inspections lag is occurring because of the lack of inspectors or lack of technological integration that can be fixed through the planned SDL integration.
5. The revaluation issue is very complex and there are many unanswered questions. In light of its far reach and significant impact on the public, the rationale and need for the revaluation needs to be reassessed. In addition, the technological integration that is scheduled to occur at the Tax Assessor's office is an important factor in considering the need for the revaluation as it should enable the Assessor to have significantly better information to efficiently perform its missions.

**H. Tax Collector Recommendations**

1. *Pursue electronic billing alternatives* – Work with Department of Law and Office of the Mayor to utilize electronic billing and delinquency notices.
2. *Institutionalize oversight regarding PILOT compliance*, which is beyond the purview of the Tax Collector's office.



I. Office of the Mayor Recommendations

1. *Review Operations of Mayors Action Bureau* - MAB appears to hold significantly greater potential than has been realized as a customer service tool. However, it needs to be taken more seriously by all the departments and departments must be held accountable if they do not sufficiently respond to MAB inquiries.
2. *Ensure that one employee within Office of Mayor has responsibility for Federal, State and local policy agenda.*
3. *Overhaul Office of Communications* – The Department needs a Director of Communications to be in charge of strategic direction and management. It needs a press secretary responsible for press inquiries and content management for the website and other writing responsibilities. It needs two dedicated website/social media staffers who can work with IT and the departments to implement an aggressive plan to engage and notify the public via technology.
4. The website itself needs to be redone with an improved content management system that allows greater ease of uploading and changing content and incorporating additional electronic interaction for services.
5. *Institute Operational Audits of Governmental Services and Programs.* Operational audits determine if programs are effectively operating and serving public needs. Direct Office of Administration to develop a priority list and program for rotating, operational audits.
6. *Institute Staggered Shifts for Certain Elements of Workforce* – Traditional working hours inhibited the ability of the public to efficiently access public services. Departments should assess which functions would better serve the public if limited, non-traditional hours were instituted on certain days or during certain times of the year.

**IV. Executive Recruitment, Sangeeta Ranade - Chairperson**

Due to the confidential nature of employment matters and to protect the integrity of the recruitment and hiring process, this committee will provide a high-level overview of the principles that guided its work and a summary of the actions it has taken and will continue to take to assist the Mayor-Elect in his recruitment and hiring efforts.

**Recommendations for Post Transition Recruitment**

1. Realign/re-categorize senior level resumes based on the results from the organizational review committee.
2. Advertise more widely for hard to fill positions by using national and local chapters of professional organizations, linkedin.com, and free websites such as idealist.org.
3. Articulate very clearly the residency requirement and the timing for relocation in all advertisement.
4. Develop clear and accurate job descriptions for senior level positions.
5. Revamp the City's compensation options to facilitate the recruiting and retention of top talent.

## **V. Workforce Development, Training and Reentry**

### **Summary of Recommendations**

The work of this committee has been extended and will continue after July 1 to examine certain issues raised in these recommendations.

### **Workforce Development Initiative Through the Jersey City Employment & Training Program (JCETP)**

1. Request that the JCETP conduct a self evaluation or outside party or expert panel evaluation focused on how it is meeting its mission, or where it could improve upon its efforts to meet its mission.
2. Empower the JCETP to undertake a greater role at the WIB, and to participate in economic development initiatives to have a seat at the table with businesses looking to locate, relocate or expand operations in the City.
3. Identify and evaluate the effectiveness of job training and placement programs for returning veterans.
4. Evaluate and empower coordination between JCETP and the public library system given the facilities and resources available in the public library system.
5. Evaluate the scope and effectiveness of existing on-the-job (OTJ) training programs with an emphasis on more on-the-job experiences.

### **Pay for Success**

6. Empanel a Blue-Ribbon committee consisting of business community executives, workforce and social service experts to examine the possible applications of a pay for success model in Jersey City.

### **Web Based Education**

7. Create a task force to examine the implementation of web-based educational training for unemployed residents focusing on worker skills and literacy.

### **Tax Abatement Employment Compliance**

8. Rehire abatement compliance officers.
9. Conduct a survey of all current abatements to determine each project's level of compliance with residential and minority employment targets.
10. Develop a process to ensure that developers interview JC residents and offer proper wages and benefits, and track outcomes.
11. Executive Director of JCETP should be empowered to levy fines on non-compliant businesses, and recommend the partial revocation of abatements in extreme circumstances
12. Executive Director of JCETP should report the status of business compliance to the B.A. and Mayor on a quarterly basis.
13. Executive Director of JCETP should hold community forums to solicit input prior to a new development project being granted abatements to focus on community priorities to improve the lives of residents. Potential priorities for exploration include community benefit agreements to fund parks or community centers or contributions to vocational training programs.

14. The Executive Director of the JCETP should meet with developers to discuss the composition and skill requirements of a developers' permanent workforce at least eight months prior to employee recruitment. The Executive Director of the JCETP should then ensure JCETP coordinates a portion of their training to match those requirements.

**Prisoner Reentry**

15. Mayor Fulop should empanel a taskforce to develop a fundable, goal oriented plan for creating a prisoner reentry program that works in tandem with the JCETP and community based organizations to address employment, housing, substance abuse treatment, and related needs.

**VI. Real Estate/Redevelopment/Business Climate-Outreach**

**A. Tax Abatement Policies.**

A policy whereby long term PILOTs will no longer be the norm for development along the waterfront and downtown is recommended. Long term PILOTs should be utilized to support and encourage development in other areas of the City, including but not limited to, Journal Square and Bergen Lafayette. The intention is to prioritize the use of PILOTs in targeted areas, many of which are existing redevelopment areas, to encourage investment and job creation for the benefit of longstanding residents and businesses of the City. This is intended to provide predictability to those willing to invest in these areas.

A Tiered Structure is recommended for the use of PILOTs. A map has been drafted to identify eligible areas in the City for Long Term Tax Exemptions, which are redevelopment areas and the Urban Enterprise Zone (UEZ). This map also identifies the area along the waterfront in Ward E where only 5-year Tax Exemptions and Abatements will be recommended. See map attached hereto as Exhibit A. The Tiered Structure is described as follows:

**1<sup>st</sup> Tier**

Projects throughout the entire City shall be eligible. Shall utilize the 5-Year Tax Exemption and Abatement Law as implemented by the City's Five Year Tax Exemption Ordinance (Chapter 304-6 et seq.) All projects in this tier are required to comply with City ordinances, including affordable housing and project labor agreements.

**2<sup>nd</sup> Tier**

Projects in Wards A, B, C, D & F, located in a redevelopment area or the UEZ, shall be eligible.

1. Projects in Ward E shall be eligible if they provide the following:
  - Affordable housing as part of the project or construction of affordable housing at another location with the Ward the project is located in.
  - Educational facilities on ground floor of project. Requirements and qualifications for such facilities must be established. City may assist with financing such facilities.
  - Hiring of City residents for construction/permanent jobs and purchasing of equipment/materials for project from City vendors.
2. Maximum PILOT term is 10 years.
3. Annual service charge is 15% of annual gross revenues.
4. Administrative fee is 2% of annual service charge.
5. Project labor agreements are required for projects with a total project costs exceeding \$25,000,000.
6. Project Employment Agreement for hiring of City residents and using JC suppliers required.
7. Contribution to City affordable housing trust fund required.
8. Financial Agreement required.

### 3<sup>rd</sup> Tier

1. Projects eligible under Tier 2, except for projects in designated waterfront zone in Ward E identified on targeted area map shall be eligible if they provide the following:

- Affordable housing as part of the project or construction of affordable housing at another location with the Ward the project is located in.
  - Educational facilities on ground floor of project. City may assist with financing such facilities.
  - Hiring of City residents for construction/permanent jobs and purchasing of equipment/materials for project from City vendors.
2. Maximum PILOT term is 20 years.
  3. Annual service charge is 12.5% of annual gross revenues.
  4. Administrative fee is should not exceed 1% of annual service charge.
  5. Project labor agreement is required for projects with a total project costs exceeding \$25,000,000.
  6. Project Employment Agreement for hiring of City residents and using JC suppliers required.
  7. Contribution to City affordable housing trust fund is required.
  8. Financial Agreement required.

### 4<sup>th</sup> Tier

Projects in Wards C & F, located in a redevelopment area or the UEZ, shall be eligible  
Maximum term is 30 years.

- Annual service charge is 10% of annual gross revenues.
- Administrative fee should not exceed .5% of annual service charge.
- Project labor agreement required for projects with a total project costs exceeding \$25,000,000.
- Project Employment Agreement for hiring of City residents and using JC suppliers required.
- Contribution to City affordable housing trust fund required.
- Financial Agreement required.

### 5<sup>th</sup> Tier

Affordable Housing Projects throughout the entire City shall be eligible.

- Financial Agreement required (pursuant to the Long Term Tax Exemption Law or the HMFA Statute).
- Project Employment Agreement for hiring of City residents and using JC suppliers required. Project Labor Agreements and contributions to the City's affordable housing trust fund will not be required. Any affordable project that includes a commercial component shall be eligible for a PILOT on the commercial component at 10% of annual gross revenues for the length of the PILOT on the affordable housing component, not to exceed 30 years.

### **Low and Moderate Income Housing Projects**

100% of the project for the term of the tax exemption must be reserved for occupancy by households with gross household income not to exceed 80% of the area median household income for households of the same size within the housing region ("Affordable Units")

- Projects with 100% Affordable Units applying under the LT Exemption Statute or NJHMFA Statute will be treated the same:
  - Term is coterminous with the mortgage (or if no perm mortgage then term is 30 years)
  - Annual service charge shall be 6.28% of annual gross revenues
  - Administrative fee shall be .05% of annual service charge

### **Mixed-Income Projects**

Minimum 20% of the project for the term of the tax exemption shall include deed restricted Affordable Units

- Term is coterminous with mortgage (or if no perm mortgage then term is 30 years)
- Annual service charge shall be:
  - 6.28% of annual gross revenues for the Affordable Units
  - 10%-15% of annual gross revenue for the remaining residential units, depending on the neighborhood
- Administrative fee shall be 2% of annual service charge
- The number of Affordable Units must be certified to the City annually

### **Project-Based Section 8 Projects**

Projects owned by a private entity and subject to a Housing Assistance Payments Contract or similar State and/or federal rental subsidy for the term of the tax exemption.

- Term is coterminous with mortgage (or if no perm mortgage then term is 30 years)
- Annual service charge
  - 6.28% on non-HAP units
  - 10% on HAP units
- Administrative fee shall be 1% of annual service charge

The number of Units with HAP must be certified to the City annually.

### **6<sup>th</sup> Tier**

Commercial (Office, Hotel & Retail) projects only, located in any redevelopment area or UEZ. Goal is to encourage job creation with minimal services required from the City.

- No pre-payment of annual service charges required
- Terms and conditions (length, annual service charge, administrative fee) are at the sole discretion of the Mayor, subject to the approval of the City Council, based upon the Long Term Tax Exemption Law or City's Five Year Tax Exemption Ordinance.
- RAB Bonds should be used to incentive projects in this tier.

Additional PILOT recommendations:

1. Further define the tiers or eligible areas by redevelopment areas, census tracts, etc. to more effectively target PILOTs through the establishment of priority growth zones for the City.
2. Segregate commercial (office, hotel & retail) and residential projects i.e., be more willing to offer greater PILOTs to commercial (office/industrial) projects due to the competitive nature of the metro area. Commercial projects generate jobs and require fewer services service and can have a multiplier effect on adjacent areas.
3. Consider how this new policy will be implemented. Is it by ordinance, Executive Order, Policy Statement or some other enactment?
4. Consider the process for submission of PILOT applications, review and recommendation to City Council.
5. Consider revising, superseding or rescind Executive Order 2010-001, dated March 31, 2010 by Mayor Healy.
6. Consider improving financial agreements for PILOTS by addressing the following:
  - a. Potential terms of Financial Agreements
    - Firm commencement and completion dates for project.
    - Minimum financial investment requirements by a date certain.
    - Agreement does not become effective until urban renewal entity has closed on financing for project.
    - Increased remedies for the City to enforce failure to comply with terms of financial agreement (including project labor agreement and affordable housing requirements).
    - If project has not commenced construction within 5 years of execution of financial agreement, agreement is terminated or terms of agreement are amended, as recommended below in b.
  - a. Potential Remedies for Enforcement of Financial Agreements
    - Default and termination of agreement
    - Liquidated damages
    - Payment of City's legal fees for default and termination
    - Reduction in term of PILOT
    - Increase % of annual gross revenue to 20%
    - Loss of redeveloper designation
7. Evaluate the pre-payment requirement of the first or early years of the PILOT to the City upon execution of the financial agreement as a loan and the implications on the City's budget in the future.



8. Leave the PLA requirement as is (based on current ordinance). Only applicable on tax abated projects exceeding \$25 million in value.
  - a. PLA should not be required for projects that are 100% affordable housing projects.
  - b. Offer alternatives to PLA such as in lieu of contribution to job training programs, etc., for tax abated projects under \$25 million in value.
9. The perception of PILOTs is that schools are shortchanged. The City should consider undertaking a study or analysis to address this claim. The City should also consider the following in connection with this perception:
  - a. Whether the City can provide additional funding to the school system from the City budget to make up for any potential loss of revenues.
  - b. Whether the City can fund programs to support schools or undertake improvements to school facilities (i.e. recreational).
10. Provide support to City officials to increase/improve enforcement of financial agreements to ensure the City is receiving all benefits of the PILOT agreement and to provide assistance to developers in the tax abatement process. Establish coordination between Mayor's office and City officials responsible for enforcement of financial agreements.
11. Increase enforcement of existing financial agreements, PLA and project employment agreements between the City and developers. Exercise all rights and remedies under financial agreements and provided by City ordinances and State laws.
  - a. See resolutions adopted in 2011 & 2012 by the City Council retaining accounting firm regarding enforcement and review of financial agreements.
  - b. The independent CPA review of financial agreements annually should be paid by redevelopers for the duration of the term of the agreement.
12. Review, evaluate, amend, expand or eliminate accordingly all City ordinances (under Chapter 304) and policies dealing with PILOTs:
  - a. Five Year Tax Exemption
  - b. Affordable Housing Trust Fund
    - i. How has this money been used?
    - ii. What is the balance in the fund?
  - c. PLA
  - d. Project Employment Agreements
13. Review, evaluate, propose amendments to the applicable State statutes for PILOTs; propose new laws to create "as of right" PILOTs; and lobby/seek support from State legislators regarding same.
  - a. Long Term Tax Exemption Law
  - b. 5-Year Tax Abatement and Exemption Law
  - c. Review NY City abatement laws/regulations/policies

14. Review all existing PILOTs and financial agreements to determine remaining terms, when they expire and implications on City budget and ordinary applicable real estate taxes.
15. Establish uniform tax assessment methodologies for determining the value of income producing properties to provide certainty and predictability in determining future tax implications. Publish such methodologies and provide assistance to developers in application of such methodologies. Of course, the tax rate and ratio would be subject to change annually in accordance with applicable law.
16. Identify properties that have development approvals, PILOTs, other entitlements for development that remain vacant and undeveloped to determine if they are being land banked and whether the tax assessment has taken into consideration these entitlements to ensure that City is realizing the true value of these properties.
17. Eligibility of certain properties in City for 5-year tax abatement and exemption is based on the entire City being an area in need of rehabilitation under the Local Redevelopment and Housing Law. While the designation was done by the City many years ago, the new administration should evaluate the continued validity of such designation and take any necessary steps to address any issues.
18. Create a database of City businesses and local developers to create greater community involvement of local and minority business, developers, and contractors.
19. Assess the viability of hiring back City employees responsible for PLA compliance.
20. Assess the viability of outsourcing PLA compliance, as well as minority and local hiring/procurement compliance.

#### **Building Permitting and Inspections**

The functions of the Office can be improved with leadership, commitment, additional resources and a change and implementation of new best practices. We recommend that consideration be given to the implementation of some or all of the following changes to the operation of the Office.

1. Improve the Available Technology.
  - provide for online permit filing
  - provide for an online means to check the status of any filing, and to interact with a permit reviewer
  - create a website for the Office
  - provide building inspectors in the field with iPads so they can review standards immediately, and transmit photos and other needed information to the Office for quick reviews, and for immediately scheduling
2. Improve Employee Efficiencies.
  - hire more staff by recapturing and retaining more Office-generated revenue

- provide for larger, overlapping titles for employees so one employee can cover more areas of expertise; avoid needless delays due to the unavailability of a single employee dedicated to a single area of expertise
  - have the head of the HEDC provide more hands-on, direct leadership and oversight of the Office of Construction Code Official on the Mayor's behalf
3. Improve Office Efficiencies and Customer Relations.
- evaluate similar office functions in other similarly situated municipalities; consider modeling the City's Office after other similar size cities who are best in class, like Sacramento
  - study, evaluate and recommend appropriate times to complete assigned tasks
  - train the front desk clerks in how to best interact with residents
  - train employees in the goals of the office; the importance of their duties and in Customer Relations, standards and time frames for action
  - provide a receipt for applications
  - provide a copy machine in the Office for the use of applicants
  - provide for payments by credit card, in person and online
  - provide seminars to educate non-building professional residents in the administration, standards, fees, processing and need for adherence to the permitting and inspection process
  - provide separate processing for residents, small builders and large scale builders and developers
  - provide for self-certification to qualifying projects subject to proper qualifications
  - deem permits approved at a date certain after filing of a completed application
  - review and update an ethics policy for Office employees
4. Improve Service to Large-scale Builders and Developers.
- dedicate Office employees of sufficient rank and skill to each large project
  - provide for self-certification and/or self and/or third-party inspections subject to proper qualification
  - provide for permanent on site Office until the project is completed so it can ensure construction proceeds without delays
5. Better Coordination.
- consider the physical consolidation of all agencies involved in the development process in a single location (building permitting and licensing, historic review, community block grants, affordable housing)
  - provide for better coordination by getting all key decision makers in the same room on a regular basis with a developer to review, address and make a decision with respect to any open permitting, licensing, inspection and related issues to avoid construction delays
  - Seek Stakeholder Input by creating an advisory body of stakeholders to review and address the functioning of the office
- B. Business Climate, Other Incentives and Barriers to Redevelopment.

Although the shortness of the Transition exercise prevents a full examination of these issues, further study needs to be conducted of the integration of such issues as infrastructure and

transportation availability, the after effects of Super-Storm Sandy, marketing, planning and zoning, economic grants and assistance of all kinds and the impact of the arts community, among other matters, as incentives for development. The Mayor should take an active role in spearheading new development. Of equal importance, he should devote effort to retaining and expanding existing City commercial residents.

**C. Additional Recommendations.**

1. Creation by the Mayor of a single point of contract (SPC) in the administration for all development proposals and development related issues. This SPC will then determine who in the administration such development proposals and development related issues should be directed to for action.
2. Creation of a Development Review Committee (DRC) that meets bi-weekly, consisting of representatives of the Mayor's Office, Business Administration, Department of Housing, Economic Development and Commerce (HEDC), City Engineer, City Planner, Jersey City Redevelopment Agency and any other City Officials as determined by the Mayor. The DRC shall review the status, as necessary, of all existing development projects, current proposals being considered by the City, as well as future development opportunities.
3. All City Agencies with responsibility for dealing with developers shall report instances of contact/ communication with a developer to the Corporation Counsel to assist him in coordinating the Mayor's activities.
4. Creation of a project manager, most appropriate in HEDC but could be in the Mayor's office, for each ward in the City and such project manager shall be responsible for coordinating, expediting and being fully informed about any development project (current and proposed) in the relevant ward. Such project manager shall be given the authority to interface and direct, as appropriate all City departments to carry out actions critical to the implementation of development projects. Such project manager shall report directly to the Director of HEDC and the Mayor's office.
5. Institution of a "use it or lose it" policy when offering abatements. Many have complained that some projects with Redevelopment Agreements and Tax Abatements can sit idle for years. This can be avoided by instituting a policy which requires substantial development to take place within reasonable time frames (i.e. 5 years) or lose the benefits of a Redevelopment Agreement and Tax Abatement.

**VII. Independent Authorities, (John Thieroff, Chairperson)**

**JERSEY CITY REDEVELOPMENT AGENCY RECOMMENDATIONS**

1. Improve coordination with City on all development projects which the JCRA is managing.
2. Provide for regular audits of Redevelopment Agreements to ensure the Agreement conditions are being met.
3. Provide developer education seminars.
4. Share and exchange information with developers.
5. Create a plan to compete with New York City.
6. Create a Development Oversight Committee composed of the JCRA and other City development personnel to review significant projects; implement policies to promote development; to review specific projects with their developers and to assist in the development of such projects.
7. Create a Citizens Advisory Real Estate and Development Commission composed of key City officials and various stakeholders from the community (i.e. residents, citizens, builders, developers, labor planners, community activists) to provide input on development and the impact on the City's neighborhoods and economic development.
8. Create an online database of all City/JCRA owned and leased properties and the status of each parcel.
9. Request details on the strategy and status of leasing in the Hub (Ward F) as well as effort to retain a bank to lease the space.

**Jersey City Municipal Utilities Authority Recommendations**

1. The Authority last performed a connection fee calculation in 2004. The calculation generated \$4,203,215 in revenue in 2012. If the calculation had been performed annually the result may be been increased revenue to the Authority.
2. The Authority pays retiree health benefits where an employee is 62 years of age, retires and has completed 20 years of service. This policy can result in increased long term health benefit costs to the Authority and should be reconsidered.
3. The Authority has an open consent decree with the USEPA to perform sewer improvements amounting to approximately \$160 million over a 6 year period. The improvements are principally funded through debt issuance with the NJEIT. A report identifying all proposed improvements, their costs including estimated future debt service obligation should be completed.

### **JERSEY CITY HOUSING AUTHORITY RECOMMENDATIONS**

1. Evaluate debt outstanding for refinancing opportunities at a lower rate, specifically 254 Bergen Avenue.
2. The Authority is a member of the NJ State Health Benefits Program which is a pay as you go system. Evaluate changes to personnel policies eliminating Authority paid health insurance coverage at retirement for new employees hired after a certain date.
3. At March 31, 2012 the Authority public housing programs and central office management center are both in a deficit financial position. The Authority needs to take steps to eliminate these deficits in order that in the long run the management of these programs is not affected.
4. The Authority has assisted in the development of a number of nonpublic housing projects through the issuance of various notes receivable. Some of the projects may be reaching the end of their 15 year compliance period. The Authority should consider reviewing the provisions of the formation documents to determine what actions are necessary and to the benefit of the Authority at that point.
5. When the Authority participates in future non public housing development consideration should be given to a) being a co-developer and 2) providing management and maintenance support to the complex. This could assist the central office management center in generating additional revenue.

### **Jersey City Free Public Library Recommendations**

1. While the library currently serves as a community resource, more can be done by including outside the box ideas such as creating collaborative community projects such as maker bars (where techies and tinkers get together to design and build inventions) within our library system. It is not enough to just add technology to our libraries; we need to have the ideas of technology start to bud in our library system while surrounded by the right resources. This is what would connect the schools, community, and the libraries better.
2. Upgraded hardware and wireless connection should be available throughout the library system.
3. There are a number of ideas that the Library can choose to implement by using their resources and locations by doubling as workforce centers for job seekers and small businesses. The library already has a virtual center, but the City can move forward partnering and utilizing the space for one on one or group information sessions throughout the City.
4. Have the IT's transition team review the current network structure, software, and hardware and make recommendations that will better fit the needs of the Library.
5. Expand computer training courses for the public throughout the branches; perhaps even combining community and city staff computer training.

6. Since parking is such a problem for patrons and staff, embracing green initiatives such as bicycle parking.
7. Actively search to expand locations to a storefront in Ward D and a business library in either downtown or Journal Square.
8. Continue the five year capital improvement plan which covers repairs and upgrades needed at all ten locations.
9. Continue to expand library card holder program.
10. Continue to serve as a community center while expanding services to meet the needs of a very diverse community.
11. Seek outside funding to sustain and improve library services, through grants and private donations.
12. Continue to weed, upkeep, and build the current print and audio/visual collections to meet the current and expected needs of the patrons.
13. Expand library hours.
14. Six of the Library's branches have wireless access for the staff and users. The hardware from Cisco (21 pieces of hardware) is between 5-8 years old and all need to be replaced soon. The Dell servers are between 4-5 years old. The library needs to replace 8 of them. However, the IT contact is looking into virtualizing the environment and thereby needing only 5 servers to replace the 8.
15. The Library recently created a new web site, which is a great improvement over the old site. It is easy to access and find information, providing the user with navigation tools and comprehensive resource lists.
16. The Library also maintains accounts on two major social networks, Facebook (928 Likes) and Twitter (1,246 Followers) to keep patrons and residents updated.
17. The Library currently has 290 computers for public use, 186 have internet access, that number should be increased.
18. Implemented software that allows the visually impaired patrons autonomy while using Library's computers has been installed at five locations, that number should be increased.

#### **Jersey City Incinerator Authority (JCIA) Recommendations**

1. As the number of functions the JCIA performs has grown, so too has the amount of overlap it has with the DPW. Although efficiency studies have been done in the past to determine potential savings that could be realized by consolidating the two entities, several years have passed since the last one was performed. A new study should be conducted to determine the optimal structure for these two entities.

2. Regardless of whether the Authority and the DPW merge, consideration should be given to determine where duplication exists and how to eliminate it. Where duplication exists, the administration should determine which unit is the better fit and endeavor to consolidate those operations within the chosen provider.
3. The Authority has 162 employees and yet two of its most significant responsibilities are outsourced. Additionally, the Authority has what appears to be a large number of people in management and/or professional positions. A desk audit of responsibilities should be conducted to determine how many and which positions are needed.
4. The city should explore a shared services program for solid waste collection. Considerable savings are possible due to economies of scale that could be achieved by spreading the contract over a larger pool of customers.

#### **Jersey City Parking Authority Recommendations**

1. The Jersey City Parking Authority (JCPA) should be more aggressive in exploring where there are parking shortages and methods for alleviating parking shortages in various parts of the City. The JCPA should also explore public/private partnerships to create more parking in the City, especially in residential neighborhoods.
2. The JCPA should explore the most up to date technology for allowing customers to pay parking fees to promote customer convenience and increased revenues.
3. The JCPA should explore means to get the full value of its building by renting out unoccupied space or letting it be utilized for other City purposes.
4. The JCPA, in conjunction with the Municipal Prosecutor and Court should develop a plan to collect the \$20 million in uncollected parking penalties and impose a meaningful and certain enforcement mechanism.
5. The JCPA should institute regular employee evaluations and employee training to ensure high workplace standards and avoid litigation.
6. The JCPA should review its procurement policies to ensure compliance with applicable law.
7. The JCPA should review its sick, vacation and carry forward policies.

#### **Jersey City Economic Development Corporation (JCEDC) Recommendations**

1. The JCEDC is a potentially important partner in the revitalization of the business and commercial community of Jersey City. It is a small agency, with only six (6) employees. A more thorough analysis of the agency's employees and their functions should be performed to determine job performance and necessity of position. This entity may be underutilized in its current composition. The study should identify areas of overlap with City agencies to identify redundancies for elimination and/or consolidation. The study should consider whether the consolidation of non-redundant functions can be performed by other entities or within the EDC.



2. Nonetheless, we believe the JCEDC has vast potential; however it has not been challenged to meet its full potential. With the right focus and sense of cause, the EDC can be a useful tool in providing for economic development within the City capitalizing on Jersey City's strategic location.
3. We also believe that with the right leadership, the EDC can assume the primary role of promoting the City's Cultural offerings and Tourism in general. Therefore we recommend that the City consider assigning these tasks to the new JCEDC and refer to it as the Economic Development, Cultural Affairs and Tourism Corporation (EDCAT).
4. Given its severely constrained funding resulting from the curtailment of UEZ funding, we do not believe that the JCEDC can afford its current monthly public relations contract and that it should instead procure a firm with experience in branding and tourism.
5. Exploration of collaborative efforts between the EDC and the Work Force Development and Reentry initiatives discussed elsewhere in this report. The City should consider evaluating the feasibility of charging a new EDCAT with implementing such initiatives as well.

## **VIII. Cultural Development and Tourism**

1. The new administration should consider forming an advisory task force/council made up of business leaders, economic development experts, and city officials to:
  - Development of a 3-5 year master plan for Jersey City Cultural Development & Tourism, including metrics to measure success
  - Assess programs the city has historically supported to boost tourism to determine what has worked, what can be discontinued, and to identify new opportunities
  - Review city ordinances affecting culture and tourism to determine if there are opportunities to eliminate burdensome regulations
  - Review opportunities for state and federal grants
2. The city must develop an understanding of how municipal and private sector resources can best support growth of the tourism industry and cultural initiatives, including the creation of jobs in these sectors. This can be accomplished through holding a summit and/or focus groups with the following individuals and entities:
  - Leaders from tourism industry and also key institutions
  - Small and medium size business owners
  - Public sector
  - Cultural organizations
  - Business associations & SIDs
  - Developers

The goal of these endeavors should be to determine:

- What are the venues and assets are in the community and how can these be better promoted today
  - Where the gaps?
  - What are the opportunities?
3. Tourism is an integral part of the economy of any major city. In addition to merging the various culture and tourism endeavors noted above “under one roof,” a rebranding of these efforts is necessary. VISIT JC is an easy, familiar brand, easily spelled and understood. A logo should be developed and there should be a website overhaul, consistent social media campaigns and related print collateral materials such as targeted maps and visitor packages with a consistent message and coordination with area hotels and destinations. The City should consider holding contests concerning the branding and logo for the City.
  4. Develop a database of venues, vendors, artists, cultural organizations, and social media channels for the promotion of tourism and culture in Jersey City. This database can then be integrated into social media platforms for distribution over various channels, such as websites, event landing pages, Facebook, Twitter, and a tourism hotline to provide information to visitors about upcoming large-scale events (such as Barclay’s or the Superbowl), as well opportunities for other local activities not directly related to large-scale events.

5. The City should collaborate with event promoters to ensure that information about Jersey City is available and distributed to visitors.
6. A centralized calendar of permitting for cultural events should be created and regularly maintained to provide current, up to date information concerning places to hear music, see dance or other theatrical entertainment, as well as provide information concerning special events, such as parades, festivals, or events like the Barclay's tournament or Super bowl.
7. The City should develop programming/partnerships to engage artists and elevate the image of Jersey City through endeavors such as mural programs, sculpture parks, community gardens, other design elements such as bike racks, newspaper/magazine rack installations.
8. The Destination Jersey City sign program was implemented, but was outdated soon after installation. This signage program should be revisited and destinations added or updated as necessary.
9. Visitor information should be located in obvious areas, such as a storefront near a transit hub or through the creation of kiosks or other satellite locations to supply information to visitors.
10. The gateways into the City should be litter-free and landscaped to present a better image. Additionally, the City's image – through its licensed taxis – can be improved through the maintenance and appearance of the taxis, drivers and taxi stands.
11. The City should undertake efforts to become more pedestrian-friendly to tourists. Additionally the City should explore the feasibility of using pedi-cabs, initially as an experiment, between existing hotels and area restaurants and other destinations.
12. The City should consider the reactivation of its Cultural Arts Commission.

**IX. Legal Review, Jeremy Farrell - Chairperson**

1. The Office of Corporation Counsel should develop comprehensive case management plans that incorporate technology and redundancy.
2. The Office of Corporation Counsel should purchase and integrate into its operations document management software.
3. The Office of Corporation Counsel should staff cases and matters to ensure redundancy.
4. The Office of Corporation Counsel should develop a program to recruit and retain attorneys with various levels of expertise that are commensurate with the variety of matters handled by the Office of Corporation Counsel, and include within such program the ability for more experienced attorney to mentor less experienced attorneys into greater roles and responsibilities within the office.
5. The City should explore whether additional evening hours would benefit the operations of the Municipal Court and its customers.
6. The City should evaluate the security plan for the Municipal Court to ensure that appropriate security exists within each court room.
7. The City should explore whether additional municipal court judges are needed to maintain and improve operations and customer service.

**X. Recreation/Education Recommendations**

1. Identify a senior staff member to serve as liaison and coordinate a coherent approach with the Director of Family and Community Engagement for the Jersey City Public Schools for joint action that promotes educational and recreational opportunities for the City's school children and the community at large.
2. Expand the menu of activities and hours of operation of the Department of Recreation
3. Build a stronger communication protocol to inform more members of the community of the offerings in Jersey City.
4. Offer the right of first refusal to the school district on unused municipal property.
5. Explore city properties where shared space could be offered to schools and organizations.
6. Provide more access to non-profit organizations in school facilities.
7. Create safe outdoor play spaces.
8. Advocate for change in NJ regulations regarding building school facilities to allow school facilities in mixed use buildings where schools are on the first floor of office/residential buildings.
9. Cut the work hours per worker for summer jobs to increase the number of jobs for workers.
10. Form partnerships with local businesses and large corporation to provide jobs and internships to local students.
11. Partner with universities for out of school activities such as college students mentoring, tutoring and advising school children in after school programs. Use local universities for after school and summer programs.
12. Utilize university students as mentors, tutors and advisors for after school clubs.
13. Look for opportunities for shared services and purchases.
14. Explore more grant opportunities from state and federal governments and foundations
15. Create The Jersey City Education and Recreation Program fund from a set aside of 10% of tax-abated revenues.

## **XI. IT Initiatives Recommendations (Candice Osborne, Chair)**

Though lagging in the adoption of modern technologies, Jersey City is well-positioned to take advantage of them. Doing so will provide more responsive services, improve the lives of residents and employees, create mechanisms to foster citizen engagement, and establish Jersey City as an innovator in the technology space. After examining market and government technology trends, as well as an internal analysis on the state of Jersey City's technology and community feedback, the Transition Team recommends that the following multi-year strategies be pursued by the Fulop Administration:

- **Leadership:** Organizations that reap the full benefits of technology do so by creating governance structures that avoid common pitfalls to maximize returns on investment. Focus on building strategic technology leadership – this allows all the crucial work of evaluating software, implementing a strategic technology vision, changing workflows and encouraging employees to adopt new technologies.
  - Hire Chief Technology Officer (CTO)
  - Complete a more thorough audit of all software and hardware
  - Develop a community Technology Advisory board
  - Establish technology governance committee staffed with department directors and members of city council
  - Develop a yearly technology roadmap by scoring ideas sourced from the governance committee and the community technology advisory board.
- **Connectivity:** Departments often don't communicate with each other, and residents often don't know where to seek answers. Focus on software that enables more direct and efficient communication among city workers, between city workers and citizens, and among citizens.
  - License and implement Microsoft Lync to connect all city employees on instant messenger
  - Roll out text & email resident notification platform
  - Investigate alternative WAN network options to thwart any potential reliability issues with the WAN networking, from VPN/internet based solutions to private fiber.
  - Better integration between departmental systems by reducing the implementation of one-off solutions targeted to only a single department's problems and look for solutions that can be generally applied to the benefit of all departments.
  - Create integration points between police and public safety and civilian departments
- **Responsive Government:** From obtaining an event permit to opening up a business in Jersey City, the processes that residents must follow are often unclear and cumbersome. Focus on technology that improves efficiency and delivers faster turnaround on city services.
  - Begin using the content management system (CMS) in a distributed fashion by ensuring that departments create and update their own content before going to the communications team for reviews and approvals. The CMS supports an approvals process.
  - Use GovQA to its' full potential by empowering the Mayors Action Bureau agents to follow-up on cases and mandate the adoption/integration by more city departments and agencies.
  - Launch a pilot with a public interface to GovQA tickets status & overall reporting.

- Adopt a community quality of life feedback tool
  - Establish the ability to pay for all permits online
  - Fully automate & digitize the entire permitting processes (events, parking, building)
  - Go “paperless” - fully digitize all city documents
- Mobile First: The market penetration and immediate nature of mobile location-aware technology has created new opportunities for governments to reach previously underserved communities and to interact with their constituents both more frequently and more effectively. Focus on projects that put mobile first; doing so will effect quicker and higher quality change.
  - Digitized council agendas.
  - Create mobile-web friendly version of the Website
  - Launch multiple pilot programs for utilizing mobile technology to empower city employees and engage with citizens.
  - Citywide integration of GIS / SDL for wider adoption of location-aware services
- “Open JC”: Open, cloud-based interfaces improve efficiency, integrate previously disconnected systems, and enable third parties to offer solutions to previously intractable problems. Focus on software projects that create open interfaces (to allow ease of development and interoperation), more open and transparent government operations, and open data access.
  - Implement cloud-based fax to reduce costs
  - Move as many services as possible to the cloud. Initial considerations could include archival storage and backups, email & other communication systems. Other system migrations, including H&L and Sunguard financial systems, Spatial Data Logic and accompanying large dataset, networking equipment, centralized internet access with content filtering, should be carefully analyzed and done over time.
  - Evaluate current website technology versus other open source content management systems
  - Develop and create open public data sets that can be leveraged by 3<sup>rd</sup> parties
  - Develop a project in conjunction with Code for America
  - Evaluate open source and open data interface options for all technology projects funded
- Public Safety: While our investigation of the emergency services systems was minimal, we became aware that there are issues with the communications systems used by the Jersey City Fire Department, and we recommend these issues be addressed immediately. To the extent that civilian communications systems can be leveraged to support the JCFD they should be made available to do so. We also find clear consensus behind improving the Police Department website, both from a technology and content standpoint.

By embracing a modern, effective communications plan, Jersey City can position itself as a world-class mid-sized city – one that uses both traditional channels and timely technology (including social media and the web) to give residents, business people, and visitors access to information when and where they need it. Additionally, the city will “re-brand” itself as a safe and supportive place to live, work and visit. Specific recommendations include:

- Communication leadership: A relatively simple restructuring of the Mayor's Office of Communications – along with modest, budget-appropriate staff increase as needed – will make the city more responsive to traditional and newer media, as well as unite departments and agencies in a more cohesive message. (See proposed organization chart within the transition report)
  - Restructure Mayor's Communications Office
  - Create a Public Safety Public Information Office - similar to that of other cities its size - to improve the dissemination of police information on a timely basis
  - Encourage the JCPD press to work with community groups, develop website and social media content, and educate residents and businesses about proactive safety measures.
  - Create a dedicated Office of Emergency Management public information office to help improve communication around emergency situations (natural or man-made)
  - Develop an internal communications protocol for employees (e.g. all employees must use and respond to email)
  - Identify key spokespeople in the city (and outside of city government as appropriate) and offer senior management media training
  - In conjunction with each department, develop an external communication plan to facilitate knowledge sharing with constituents
  - Develop an internal communications plan to facilitate knowledge sharing across departments
  
- Engage residents with their city: The city will connect with more residents by communicating across a broader range of social media channels, expanding the number of city services available online, and initiating conversation with key community spokespeople.
  - Establish monthly or bi-monthly community forums (similar to transition community meetings) in each ward to hear directly from the residents
  - Establish regular/weekly office hours for Mayor and City Council members
  - Create a Public Safety Public Information Office (envisioned above) to (as part of its mandate) engage with community groups on public safety issues
  - Constituent conversation will also benefit from improvement of such traditional (though sometimes less effective) service-access methods as telephone, email and walk-ins.
  - Volunteer clearing house for grassroots involvement in government services
  
- Promote Jersey City as a tourist, cultural and commercial destination: Jersey City should receive a focused "rebranding" effort in the areas of tourism, business, cultural identity, and responsiveness to residents.
  - Rebrand Jersey City
  - Partner with HC Chamber of Commerce and NJ Division of Travel and Tourism on outreach to businesses and residents
  - Partner with city attractions like State of Liberty, Loew's, Barrow Mansion etc. to leverage the city's importance as a metropolitan area destination.
  - Establish tourist-oriented web pages
  - Initiate a tourism marketing campaign & a business development campaign in collaboration with appropriate city departments and agencies
  - Provide information and tools online for small businesses



- Better utilize technology that facilitates communication: Broadened and improved use of web-based and social-media communications can make the city much more user-friendly to residents and businesses.
  - Bring technology that supports communications into the 21st Century
  - Redesign city website
  - Explore constituent feedback and communication services (e.g. 311, email, text, See-Click-Fix, etc.)
  - Revamp content on website on a department by department basis
  - Adopt *social listening* tools to keep its attention on relevant social media (e.g. Facebook, Twitter, the blogosphere, message boards and on-line news portals).
  - Create a City of Jersey City "YouTube" channel with video from council meetings, city events and press conferences, as well as mayoral blog
  - Promote existence of existing social media channels
  - Expand social media channels to include Instagram, tumblr, Flickr, and Pinterest

## **IV. Transition Reports**

### **A. Introduction**

Over 100 committee members were selected based on their knowledge of the community, expertise, experience and willingness to devote their time to the betterment of Jersey City. Each member of the Transition Committee was asked to complete an ethics questionnaire which upon submission was reviewed by the Transition Counsel to ensure the absence of any direct conflict by virtue of the members' service, or to provide for recusal if needed to address any direct conflict. Each member of the Committee, as a condition of service, promised not to use any privileged information gained during the Transition process for personal gain or benefit. Committees were structured based on an assessment of the major issues facing Jersey City. Each committee was given a detailed scope of analysis, but in each case it can be summarized as follows: What is working, what is not, and how can the work of Jersey City's government be improved?

### **B. Process**

The committees, directed by their chairs, initially met to review the functions, responsibilities and scope of inquiry established for each committee. The committees met as a whole and in smaller subsets to review the issues assigned to the committees. Members of the committee gathered and reviewed thousands of pages of critical documents and spent hundreds of hours interviewing key personnel. Based on this information gathering process, the committees spent countless hours more formulating their recommendations, detailing them and setting them out in these Reports.

The Mayor-Elect also conducted multiple public hearings to hear directly from members of the Jersey City community about their views on the City's past, present and future.

### **C. Community Meetings**

From June 5th to June 24th, Jersey City Mayor-Elect Fulop held four public meetings regarding the transition process to discuss the changes residents can hope to see under the new Administration. More than 200 residents attended each meeting for a total of between 800 and 1,000 residents participating in the public forums. At each meeting, Mayor-Elect Fulop briefly welcomed everyone then turned the floor over to the residents who were able to speak their minds. A wide range of concerns and ideas were expressed. The overall tone was one of hope about the future of Jersey City. Residents were eager to share their concerns and ideas about how Jersey City could develop into a leading mid-size city. Many residents expressed a desire to work with the new Administration and asked for more public forums.

While many prominent themes emerged at each of the meetings, none perhaps was more consistent than the public's opinion that there needs to be a seismic shift in how City government functions to become more responsive to the needs of the residents. Speakers repeatedly expressed the notion that there needs to be an "attitude" or "culture" change at City Hall, with employees wanting to assist the public and actually having the proper information and protocols to do so. Below is a list of themes that resonated at all meetings.

- added police patrols/walking posts/community policing
- street sanitation & litter issues/more trash cans

- overall quality of life issues
- better customer service from all departments
- improvements to the Building Department
- improved communications from the city, particularly an enhanced website
- enhanced technology - such as 311 - city apps, etc.
- more programs for youth - internships and recreation
- Hurricane Sandy - disaster prep
- economic development that provides jobs for Jersey City residents
- supporting & improving our commercial corridors/main streets such as West Side Avenue and Central Avenue
- improving public schools/education
- greater transparency in government
- more cultural events in Jersey City - create Jersey City as a tourist destination
- more bike lanes

#### **Top Themes from Each Location:**

##### *June 5th - City Hall*

- flooding/Hurricane Sandy issues
- sanitation issues
- customer service from city employees
- Building Department
- Better website/communications/technology (311)
- greater transparency in city government
- increased public safety
- more cultural programs - portal on website promoting

##### *June 13th - Bethune Center*

- increased public safety/foot patrols/community policing
- sanitation issues/litter
- quality of life issues
- better education and more recreation for youth
- better website/communications/technology (311)
- greater transparency in city government
- economic development throughout city - bringing jobs for residents
- Hurricane Sandy issues - elderly getting medication etc.
- bus transportation & bus shelters - more assistance for seniors

##### *June 20th - PS#28*

- police walking posts/more cops in the Heights
- street sanitation issues/ lack of garbage cans
- in regard to quality of life - enforce the laws that already exist
- funding to completely renovate Reservoir 3
- make the Heights a tourist destination / hotels

- change the culture of city government to be more responsive to everyone - better customer service
- improve Pershing Field tennis courts, playground & track
- bus issues/need additional service especially on Central Avenue - regulate jitneys
- parking issues - proposal for one residential zone throughout city
- improved school facilities & more recreation for youth
- improved website w/government spending on website
- cultural programs for adults & youth
- increased bike lanes

*June 24th - Gallo Center - Lincoln Park*

- public safety/increased beat patrols/community policing
- increased bike lanes
- concern over Pulaski Skyway closure
- sanitation issues/litter/more garbage cans and more frequent pick-ups
- improvements for West Side Avenue; help merchants succeed/stay
- grow tourism and cultural affairs for the city
- better customer service from city; improved image of city workers, city facilities – take pride in our city
- traffic and speeding issues
- more cultural program/ expand tourism
- increased bike lanes
- proposal for one resident parking zone citywide
- complete the West Side Avenue SID study
- increased parks programs

Despite the overall feeling that there needs to be a culture change within City government and that Jersey City lags behind in many areas, residents expressed sincere hope and confidence in the new Administration. Mayor-Elect Fulop explained that all of the changes the Administration hopes to make will take time and requires the continued involvement of the public. By hosting these public forums, Mayor-Elect Fulop demonstrated that the voice of the public would have a place in City government and that his Administration is committed to forging a partnership with the residents and business owners to find solutions to move Jersey City forward.

## **D. Committee Reports**

### **1. BUDGET AND FINANCIAL OPERATIONS REVIEW TEAM. (HENRY AMOROSO, CHAIRPERSON)**

#### **Charge and Scope of Analysis**

"This committee will provide an overall assessment of the City's current municipal budget, and provide recommendations for short- and long-term adjustments to the budget and to the budget preparation and implementation process to secure savings and more efficiencies for the City. The committee will analyze and assess various components of the City's budget. It should evaluate the current sources of revenues and examine expenditures, and assess whether they are of a recurring or non-recurring nature. The committee should make recommendations regarding means to maximize revenues and ensure that any current appropriations are necessary and being expended in the most effective and efficient means possible. In this regard, the committee should identify and examine particular areas of revenues and expenditures that have a significant impact on the municipal budget and make recommendations on how to best promote the financial stability of the City both for the current fiscal year and for future fiscal years. For example, the committee should review all categories of federal and State aid and other governmental assistance to see if these revenues can be enhanced and/or better spent. Similarly, the committee should examine the nature, breadth and scope of all employee compensation benefit programs (salary, health costs, pension, etc.). The committee should, in conjunction with the Legal Committee, examine the impact of pending and future tax appeals on the possible increase or decrease in anticipated revenue. The committee should examine the City's tax policies (i.e. tax abatements, etc.) and their impact on the City's revenues and budget practices. The committee should assess the extent to which there may be structural budget issues, and comment on the reliability and adequacy of the City's revenue structure. The committee should examine and make recommendations to improve the budgeting process."

#### **Report of the Budget Committee**

##### **Introduction**

The Budget and Financial Operations Review Committee met on 4 separate occasions and conducted 2 telephone conference meetings, in order to review the city's proposed budget introduced February 27, 2013, current revenues and expenditures, to discuss future budgets and establish an understanding of the City's overall financial structure. The Committee's goals in reviewing and analyzing these issues were to draw conclusions about the current state of the City's finances and ultimately provide the incoming administration with an opportunity to prioritize certain recommendations in regards to stabilizing revenues and cutting expenses. Furthermore, our analysis relative to the introduced 2013 budget and prior year budgets provides some guidance on future budgets in addition to strengthening the City's foundation for financial structure and stability going forward.

##### **Budget Analysis**

The City's 2013 introduced budget, net of school and county taxes, is \$500,097,007 and represents an amount to be raised by taxation of \$201,968,235. The budget as introduced includes nonrecurring revenues of \$18,000,000 and utilizes 100% of the City's surplus. A reliance on nonrecurring revenue and thin liquidity have been reoccurring themes which credit-rating agency Moody's Investor Service has described as material weaknesses regarding the City's financial stability. Adding to the

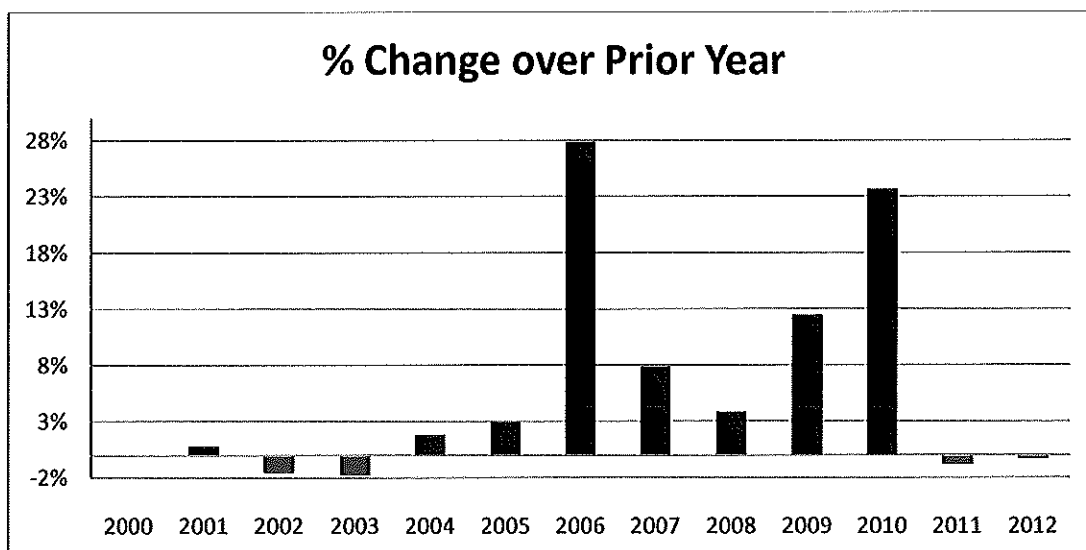
expected shortfall for 2013 is an estimated \$10 million in terminal leave payments that will be paid out this year and were not included in the introduced budget.

To Summarize, the City is facing a structure deficit of upwards of \$20,000,000 with significant pressure for that gap to widen because of contributing factors such as:

- Contractual Obligations
- Separation payouts based upon legacy contract issues

The City needs to ensure that it generates recurring revenue to address these concerns and ensure its ability to eliminate its structural deficit. To do so, the committee recommends that the City should adopt a budget that calls for a 4.68% tax increase which will aid the City in reducing its historic reliance on one-time revenues as a means of addressing its structural deficit. The rationale for this recommendation is set forth below.

Due in large part to its overreliance on one-time revenue sources, the City has sacrificed long-term fiscal stability to balance budgets from year to year. This approach has created uneven increases in property taxes, with no tax increases in some years and double-digit percentage increases in others (see chart 1.)



Moody's points to this historical reliance on nonrecurring, one-time revenue sources and the City's introduced budget, as presented, is a continuation of this practice. Prudent financial planning with an emphasis on efficient, streamlined operations and identifying a modest mix of sustainable new revenue sources, should provide long-term property tax stability.

During the month of June, the Committee had an opportunity to discuss and review the following documents:

- Draft of Cost Review of Jersey City Pension Plan

- MUA Franchise Payment Schedule
- Health Insurance Breakdown
- Parking Licenses and Tax Information
- 3-Year Budget Information (CY2011 - CY2013)
- CY2013 Budget Data
- Department Line Item Budgets (2012 & 2013)
- Recommended Action/Items of Significant Cost and Value
- Additional Information
  - Historical Employee Head Count
  - Health Care Pension Lives
  - Refunding Schedule (2013)
  - Annual Debt Service Schedule
  - Self-Insurance Information
  - ERS Pension Statute (N.J.S.A. 43:13-22.52)
- Revaluation Timetable
- 3 Year Strategic Goals – February 2013
- Annual Financial Statement – 2012
- Annual Debt Statement – 2012
- Moody's Report – July 2012
- Audit Comments – TY2012 & CY2011

Using the charge as our guiding principle and reviewing the aforementioned documents, the Committee has identified the following revenue enhancing and cost-saving opportunities for consideration by the Fulop Administration.

#### Cost Structure

As a response to escalating expenses and reduced revenue during the latter part of the last decade, the City undertook a workforce reduction that resulted in a significant drop in the number of full time civilian employees (FTE) through layoffs and attrition. Between 2009 and 2013, the total number of FTE was reduced by 438 employees from 2649 to 2211, mostly through civilian reductions in force (RIF).

Along with most major urban cities, as well as mature commercial businesses such as auto manufacturing and the airline industry, the City is struggling against legacy labor costs. As an example, as recently as 1996 the City petitioned and the state legislature subsequently enact generous changes to the Jersey City Employees Retirement System, increasing COLA's from 50% to 100% annually. Other generous labor concessions such as unlimited sick time, terminal leave accrual and excessive vacation allowances have considerably hindered the City's ability to contain costs in the near term.

Although the City recently eliminated longevity for all new hires, including both uniformed and non-uniformed employees, in addition to other modest contractual gains, uniformed groups have been provided with annual increases exceeding the cost of living at the same time non-uniformed employees were being furloughed. It is recommended an economic analysis be performed comparing the salaries of uniformed employees in the NY/NJ metropolitan area from date of hire through to the termination of the City's financial responsibility. The current labor contracts for uniformed police and fire expire 12/31/16 and 12/31/15 respectively.

The civilian RIF and elimination of longevity for new hires will reduce the City's expenses going forward, however, legacy labor costs and precipitous drops in state aid will provide headwinds in attempts to structurally balance the budget through the near term.

In order to mitigate rising expenses and legacy labor costs, a thorough exploration of extracting efficiencies from operations is a necessity. For example, the City has not capitalized on utilizing the web for online procurement of City goods and services. Purchases are routinely accepted where solicitations for quotes have only met the bare minimum statutory and administrative requirements, far from extracting the best price from the market place. Additionally, it appears that identifying new revenue sources has not been a priority in the past. New ideas for revenues are explored further in our report.

### **1. Opportunities for Savings**

#### **Pension Reform**

Jersey City is the only municipality in New Jersey that maintains its own pension system. Currently, the system is substantially underfunded. The pension system has suffered poor returns on investment and occasional reduced, or even skipped, annual contributions. As a result, the City should:

- Study implementing some or all of the recommendations made by Buck Consultants with regard to their analysis of the Jersey City pension system (JCERS).
- Evaluate seeking approval from the state to change the requirement that all permanent employees participate in the JCERS and have this cohort instead participate in the Public Employees' Retirement System (PERS) or some other defined contribution plan.
- Explore terminating the plan for active employees, only. This would require review by the City's Corporation Counsel.

### **2. Coordination of Services**

The Committee recommends that the City look at coordination of certain services including trash collection, purchasing, and ambulance dispatch among others, to see if there could be intergovernmental agreements or private/public agreements that may result in defraying expenses, and/or generating revenue.

### **3. Modernizing the City's Payroll and Financial Transactions**

Currently, it is estimated only half of the City's employees utilize direct deposit, and in most cases, those employees still receive a paper pay stub, which is mailed to them. Recently enacted State legislation provides that the municipality can mandate direct deposit to all its employees and further require that paystubs be accessed using an employee login account. The City should consider modernizing their payroll. The Committee believes this is sure to generate savings in the long-run.



#### **4. Refinancing of Bonds**

While it is common practice to refinance, the City should actively seek opportunities, when interest rates permit, to lower interest payments where possible.

#### **5. Reduce/Eliminate Duplication of Activities**

Eliminate Duplication of activities among the Jersey City Incinerator Authority and the Department of Public Works. As the DPW and JCIA move into their new shared facility in 2014, further study should be conducted to identify additional opportunities for consolidation among duplicative functions. Further consideration should be given to merging the two entities together as there is considerable overhead within both groups. A merger would allow the city to explore greater cost-savings and regional participation in shared services.

#### **6. Consolidation of the Parking Authority**

The possibility of merging the Parking Authority into the JCPD should be evaluated as a potential source of meaningful sustained savings. The Parking Authority has a substantial administrative layer that could be thinned in a merger and the Authority's contracted professional services could be eliminated as well. In its review of JCPA operations, the City should also explore whether the JCPA is receiving appropriate revenues on private property from high-rise buildings where a tenant is paying a fee to park in the building.

#### **7. Threats/Risks**

##### **Payouts for Separation**

A significant risk to the City, which impairs the budget, is the continued expected payouts for separation (i.e. sick-time, vacation time). From 2010 through 2012, the City paid out in excess of \$20 million in separation payments and is expected to pay an additional \$10 million in 2013. Because of this, the City is required to borrow on a regular basis, putting additional debt obligation on the City outside of the cap and upward pressure on property taxes. The committee's recommendation is that the new Administration develops a centralized electronic system that audits separation. Currently the audits are collected on index cards and loose-leaf notebooks. Audits should be done on a monthly basis through monthly reports. This ensures that the time earned vs. the time paid out is accurate.

##### **Proliferation of Tax Appeals**

The volume of tax appeals has increased significantly since the real estate downturn that began in 2008. The City should consider adapting a proactive strategy that might include, among other things, more rigorously defending assessments as the historical practice seems to have been largely to settle on rather favorable terms to the appellant.

## **8. Additional Savings**

### **New Public Works/JCIA Facility**

Construction of the new facility on Linden Avenue is progressing quickly and will be completed on schedule by the end of next year.

The new complex was specifically designed to support the merger of the Department of Public Works and the Jersey City Incinerator Authority into one efficient structure. City architects and consultants studied the operations of the two entities in detail in order to identify functions which could be eliminated or combined.

In addition, the relocation will provide the City with the opportunity for short-term revenue from the sale of the current sprawling and inefficient DPW/JCIA compound on Route 440 (as part of the Honeywell Bayfront redevelopment plan) and long-term revenue in property tax after the sale.

### **Former City Tow Pound**

Recently, the City created a new license, which allowed private vendors to become tow pound operators. As a result, the City will enjoy near-term revenue from the sale of the closed pound, which is attractively located along the NJ Turnpike and adjacent to Liberty State Park, and long-term revenue in property tax after the sale.

## **9. Potential Revenue Opportunities**

### **Land Sale**

The City has had a historical overreliance on one-time revenue sources to shore up chronic structural budget deficits. These revenues, typically generated through the sale of a city-owned asset, provide great opportunities to reinvest in assets that provide long-term benefit to the city. By stabilizing the city's finances through a matching of sustainable revenues and ongoing operating expenses, the City will have greater flexibility with regards to the use of non-recurring revenue. The city should consider utilizing one-time revenues that have long-lasting benefits such as creating legacy assets, investing in areas in need of improvement, or retire a portion of its high debt load – which creates future savings by reducing ongoing interest expense.

The proposed budget includes a land sale expected to produce one-time revenue of approximately \$12 million. The Committee believes this land sale should be removed from the proposed budget and the City should immediately conduct additional appraisals. This property should be properly marketed and appropriately valued, the result of which is likely a considerably higher sales price than is currently contemplated.

The City also currently owns 24 lots totaling 1,625 acres in Morris County. These lots are located in Denville, Boonton, Kinnelon, Rockaway Borough, and Jefferson Township. Of these, the largest tract (8 lots) is located in Kinnelon and Rockaway Borough and is comprised of 1,521 acres situated near the southern and eastern shoreline of the Splitrock Reservoir. In 1996, the City conveyed easement rights to the State of NJ DEP. This conservation easement, along with physical characteristics of the properties,

essentially precludes any development of the tract, limiting the "highest and best use" of the properties to passive recreation.

The State of NJ, through its Green Acres program has expressed an interest in purchasing the properties from the City, and commissioned an appraisal in 2012. The appraisal valued the properties at \$3,715,000. The City believed this to be undervalued and commissioned its own appraisal in 2013. The appraisal valued the properties at \$5,300,000. This new valuation provides the City with a stronger negotiating position, and should the State be amenable to "splitting the difference", could result in a sale price of \$4,500,000 or more. The City would retain its ownership of the reservoir and continue its maintenance of water supply facilities.

#### Taxi Medallions

Jersey City has lagged far behind Hoboken and Newark in terms of selling taxi medallions. The introduced budget includes a plan to sell fifteen taxi medallions and anticipates generating \$1 million from the sale. The Committee suggests that the administration consider selling additional medallions over the next several years on an intermittent basis as an added source of revenue.

#### Expand Advertising Space

The Committee has reviewed and recommends that the administration propose an appropriate ordinance as well as potential revenue to be expected from the selling of advertising space on city owned property (including the utilization and deployment of billboards) and explore through corporation counsel the feasibility of advertising on the city's cable network.

#### Port Authority

The Committee has had an opportunity to review how to approach the Port Authority for City-owned property, , but nonetheless recommends that the Administration come up with a strategy, along with Corporate Counsel, to pursue auditing the current agreement and evaluating the opportunity to improve the agreement, as well as the Port Authority presence in the City, recognizing the difficulty of the agreements in place.

#### Police Ticket Book

Police officers who currently use an electronic ticket book should have availability to a standard ordinance book. Training should be given in reference to violations of ordinance books as part of community enforcement.

#### Delinquent Receivables

The Committee has reviewed the existing plan to hire a collection agency to collect delinquent receivables. Some of these receivables have already been contracted, others are in the process of being valued. Collection of these receivables could be a significant source of revenue in 2014.

### Review of Existing Permits, Licenses and Fees

The Committee has discussed and recommends a city-wide review of all permits, licenses and fees under Chapter 160 of the Jersey City Municipal Code. The previous administration began the process by reviewing and updating the fee schedule for the Departments of HEDC, Recreation and City Clerk. This is not to be misconstrued as a narrow list of recommendations, but rather a list of fees that the Committee feels should be addressed first and foremost. A review of all permits, licenses and fees should be conducted, for example, but not limited to, parking license fees, UCC fees, Pet fees, HEC fees, ABC fees, fire response fees, false alarm fees, etc.

The Committee suggests that the administration be tasked with submitting a report as to where fees may be increased in line with neighboring communities or based upon circumstances in the city. Priority review should be given to the fee schedule for the Fire Department and Parking Authority.

### Grants Coordination

The City does not appear to have a policy, or any coordinated efforts as it relates to applying for available funding and grants. The City should consider re-establishing the "Office of Grants"

### Fire Department Recommendations

The JCFD Fire Prevention Unit has a series of fees that should be reviewed (smoke, carbon monoxide, alarms, etc). One major initiative is amending the Jersey City Municipal Code to include the registration and classification of properties as "Non-Life Hazard Uses". There are at least 8900 properties throughout the city that would qualify under this designation that are not currently inspected. In comparison, there are only 1500 properties classified as "Life Hazard Uses" subjected to annual inspection. In 2011 (84%) and 2012 (94%), fire response calls by the JCFD were to buildings designated "Non-Life Hazard Uses". Not only is there a revenue opportunity here, but the inspections could eliminate the hazardous condition before it becomes a problem and allows our fire fighters to become familiar with the building before an emergency. Increased inspection would have the added benefit of potentially finding a greater number of illegal apartments. Illegal apartments can be hazardous and are a drain on the City's resources in that occupants consume services but are not being appropriately taxed.

### Parking Authority Recommendations

In reviewing the current fines assessed for parking violations (Municipal Code and Title 39), it has been learned that fines have not increased since 2003. A survey of other municipalities within Hudson County was completed to see where our fines fall in comparison. Based upon the findings, the following recommendations are to the City Council:

Violation	Current	Yr. 1	Yr. 2	Yr. 3
Alternate Side Parking/Sweeper	\$42	\$47	\$47	\$57
Prohibited Area	\$42	\$47	\$52	\$57
Prohibited/Posted	\$42	\$47	\$52	\$57
No Stopping/Standing	\$42	\$47	\$52	\$57
No Stopping/Standing Designated	\$42	\$47	\$52	\$57
Loading Zone	\$42	\$47	\$50	\$55
Emergency No Parking	\$42	\$47	\$50	\$54

No Valid Permit	\$42	\$50	\$55	\$60
Overtime Meter	\$29	\$30	\$30	\$32

Other areas of review needed are the Residential Parking Permit program, contractor permits, temporary permits and non-resident permits to name a few.

2. **PUBLIC SAFETY OPERATIONAL REVIEW TEAM. (LARRY MONE, CHAIRPERSON)**

**Charge and Scope of Analysis**

"The committee will review, examine and provide an overall assessment of the functions of the police, fire and emergency management services. The committee shall review the Table of Organization of each entity and assess the force strength of each entity and whether the force level is appropriate to carry out the tasks assigned. In addition to the overall assessment of the functions of each entity, the committee shall examine such issues as the overall effectiveness of the entities in carrying out their assigned tasks, identify any weaknesses in their operations or gaps or problems in carrying out their assigned responsibilities. The committee should review outstanding labor and disciplinary issues and related matters, and their impact on operations, and make recommendations to improve any identified deficiencies. The committee should review the financial and operational impact of any forthcoming personnel changes, including hiring, promotions and retirements. The committee should make specific recommendations to improve the efficiency of each entity and identify worthwhile initiatives to improve the function of each entity. The committee should examine the interactions of the entities between them and other similar agencies, and make recommendations to improve the coordination of services."

**Report of the Public Safety Committee**

Hurricane Sandy affected almost every municipality in New Jersey; emergency response to the natural disaster in Jersey City was sporadic. Some have said that the new emergency management command center was underutilized. The Administration should evaluate the Office of Emergency Management and assess the City's response to the Hurricane and specifically the facility's performance during Hurricane Sandy. This assessment should include recommended improvements from lessons learned.

A. **The Jersey City Police Department**

One of the basic responsibilities of a local government, as recognized by the Mayor during his mayoral campaign, is providing a physically safe and secure community for its citizens, ensuring a high quality of life for the City's residents and fostering an environment that will encourage and promote economic activity in the City. It is apparent that the Department, how it is administered, how it is structured and how it sees its role has a significant effect on the quality of life in Jersey City. The presence of crime imposes a physical and psychological burden on City residents that has to be confronted. The presence of crime also has an economic impact on the City's ability to market itself as a destination for business, tourism, culture and the arts.

Based on our interviews, the Jersey City Police Department is in a state of both anticipation and anxiety about the changing of the guard in the city government and in the police department. The department's personnel are said to be "waiting to see what is going to happen." Three chiefs have retired and a fourth is reported to be leaving. In many people's view, the new director and chief must have credibility with the mid-level managers and the rank and file of the department. Many said that the department wants leaders who listen to the members. Others, especially the union leadership, went further, asserting that said the new department leadership must work actively to discuss planned changes to members rather than issuing top-down edicts.

There is significant fear of crime in Jersey City and sufficient crime and quality-of-life problems to feed and sustain that fear. Mayor Fulop has proposed developing a more transparent, responsive, and accountable police department. He has urged some decentralization of command giving the district commanders more authority and resources. He has advocated many of the central practices of community policing including high visibility and police presence, walking posts, police officers assigned to same regular posts, and police participation in community meetings.

The incoming Administration has enlisted the assistance of Safir Associates to conduct a review of the operations and mission of the Jersey City Police Department. Nonetheless, we have reviewed some of the functions and operations of the Police Department from the perspective of creating a Department that is more cost effective and efficiently administered, more transparent, more responsive, more accountable and more attentive to the needs of the community. Below are some of our findings and observations to improve the operations of the Department and to make it more responsive to the Jersey City community.

### **Recommendations**

1. Table of Organization. Any organization--in this case the Police Department--to be managed effectively, to carry out its duties at a high level and to be transparent and responsible in its operations to the public, has to state clearly how it is structured. The members of the Department need to know the chain of command and their mission. Our assessment is that such a structure and transparency is lacking in the current Department organization. Thus, the Department should adopt a Table of Organization setting out who is in charge, with clear lines of authority. This structure must be based on defined mission statements reflecting the policing principles, tactics and priorities of the new Administration. And it should be updated annually to incorporate evolving experiences, new ideas and changing operational needs.

A defined Table of Organization will produce multiple benefits. An initial audit of the Department's operations will provide key benchmarks for decision making and the implementation of policing priorities. The audit and the Table of Organization will provide for a clear examination of staffing needs. This will lead to informed decision making regarding appropriate staffing levels for uniformed officers and for civilian staffing, allowing the Department to allocate trained police personnel where they are most needed to prevent crime and apprehend lawbreakers, and to utilize civilian personnel to cut costs and improve operations. The review required to adopt a Table of Organization will of necessity compel an examination of the size of the force needed to ensure a safe and healthy community. It will force an assessment of the proper allocation and assignment of uniformed and civilian personnel.

The process that leads to the adoption of a Table of Organization will ensure a debate about the wisdom of shifts in thinking about the operations of the Department and will require an examination of the desirability of more community policing, more foot policing, more police-community interaction and cooperation, increased police presence in the neighborhoods and more decentralized policing decision making to ensure the reality and perception of safer streets. The process of adopting a Table of Organization will be the starting point for assessing how the police encourage positive activities for our City's youth, and, if those efforts fall short, how to prevent and stop youth-based crime and related gang activities. It can jumpstart a conversation about how police can interact with other City entities, like the School Board, to adopt programs utilizing school facilities as a means of combating youth instigated criminal activity. This process can also initiate an assessment of how the Department can draw on technological innovations to combat crime more effectively and efficiently. The process can start a

dialogue about how to deal with the enforcement of low level "quality of life crimes" and their larger impact on the community.

In short, the process of adopting a Table of Organization can be the wellspring for a full-scale examination and evaluation of how to utilize the existing resources of the Police Department to make it more transparent, effective and innovative without additional expense, giving the City the safe neighborhoods and enjoyable quality of life it deserves.

2. When reviewing quality of life crimes, examine the incidence of false burglar alarms and the drain on police resources and the appropriateness of policies penalizing excessive incidents of false alarms.
3. Evaluate shifting certain enforcement functions of the Parking Authority to the Police Department.
4. Consider more up to date technology for tracking and recording the use of sick, personnel and vacation time.
5. Examine ways of increasing diversity in the Department to bring the police closer to the community.
6. Examine the lines of succession in the Department.
7. Consider additional training for Department personnel on community interactions.
8. Examine the process for the review of civilian complaints against the Department; and
9. Review the methods and technology used to create, measure, and evaluate crime statistics.

Respectfully submitted,

Committee on Public Safety and Operations Fulop Transition Committee



### **3. DEPARTMENTAL OPERATIONS REVIEW TEAM. (ERIC SHUFFLER, CHAIRPERSON)**

#### **Charge and Scope of Analysis**

"This committee will examine and provide an overall assessment of the day-to-day functioning of the City's departments, including the Mayor's Office. The committee should examine each department's organization chart and assess the reporting structure within the department, how the department carries out its assigned tasks, and how the operations of the department can be improved and made more efficient and effective. The committee should review the staffing levels and budget (by service category and administrative overhead) for each department and make recommendations for improvement. The committee should examine the benefits and possibilities of combining, sharing or consolidating duplicative services. The committee should evaluate capital needs and their funding sources, and assess if there are ways to leverage contemplated capital expenditures. The committee should examine the impact of any employee benefits and the status of any collective bargaining agreements. The committee's review should include a programmatic review and an assessment of the wisdom and value to the City of existing policies, and it should also suggest new policy initiatives or the elimination of programs if beneficial to the City."

The committee should assess how each department coordinates its activities with other private and governmental entities such as the State, the county, the City's Board of Education, the Port Authority of New York and New Jersey and other appropriate governmental agencies. The committee should identify any pending deadlines or initiatives that require the immediate attention of the new Administration. The committee shall identify key positions in each department, agency, or independent board or authority that will require the recruitment and appointment of qualified personnel by the Mayor or the Mayor and Council.

The committee shall specifically identify the various grant initiatives being employed by the departments and make recommendations as to how to maximize the use of federal and state grant programs.

#### **Report of the Departmental Operations Committee**

##### **A. Creating a Culture of Performance and Accountability**

The culture of how government operates and serves the public is established by the Mayor. Our report contains many individual recommendations broken down by department. These recommendations will be largely irrelevant without the creation of a new culture of performance and accountability set in tone by Mayor Fulop, firmly executed by the Business Administrator and strictly adhered to throughout the departments with an understanding of accountability.

Changing the culture of any operation, yet alone a governmental bureaucracy is a challenging task. However, it is doable and it is our sense that much of the Jersey City workforce is capable and eager for a renewed sense of mission and prepared to be held accountable to performance metrics and standards. We have identified key department-wide areas that require immediate implementation as part of this new culture of performance.

### **Recommendations to Create a Culture of Performance and Accountability**

1. The Mayor must set the tone right away about what is expected from departments and departmental employees in terms of performance and how accountability for performance will be implemented.
2. *Institute Annual Employee Performance Evaluations* – Absent performance evaluations, there are no performance expectations and no way to measure whether individual employees and departments are meeting Mayoral expectations for performance. A performance based culture cannot be created unless employees are given expectations and reviewed accordingly. The Department of Administration should work with all Department Directors to develop the annual employee metrics and evaluations.
3. *Institute mandatory customer service training for all employees that interact with the public.* Mayor-elect Fulop has made clear his desire to create an operational culture that prioritizes more helpful and more knowledgeable interaction with the public. In order to achieve this, front line employees need to understand what is expected of them and given the training to meet those expectations. The Department of Administration should work with the State Office of Training or Rutgers University to develop a customer service training program that can be implemented throughout city departments and agencies.
4. *Public Assessment of Departmental Operations and Services* – Direct the Business Administrator to evaluate the use of metrics for individual departments to evaluate whether the current range of services meets the needs of the community both in quality as well as location.
5. *Develop a comprehensive plan for the location of City offices and facilities.* Direct the Department of Administration to undertake a Facilities review. Wherever possible, similar services need to be consolidated into one building or geographical area. See Department of Administration for greater details.
6. *Create Position of Chief Technology Officer and Task with Development of Strategic Technology Plan.* The IT office operates largely as a service function for departments. The primary mandate has been to ensure that software and hardware function properly. The IT office must transition from a service function to strategic planning and execution function on behalf of the departments.
7. *Use of electronic communications (television, website, email and social media) as a means to engage and interact with the public needs to be prioritized for departmental actions.* Direct the Department of Administration, Office of IT, to establish this as a priority for departments and work with each Department to identify appropriate programs and notifications that can benefit from electronic usage.
8. *Institute Operational Audits of Governmental Services and Programs.* Direct Office of Business Administration to develop a priority list and program for rotating, operational audits to assess program effectiveness, and cross departmental efficiencies.
9. *Create Official Hiring, Recruitment and Job Advertising Policy* – Formalize and standardize hiring protocols to advertise and recruit for openings. Formalize and make consistent throughout all

departments. Direct Division of Personnel to create and publish an official policy on how job openings will be noticed and advertised within government and filled. The Personnel Status Form must be digitized to better track job openings and status of applicants.

10. *Assess the compensation structure for senior and skilled personnel positions* – The Business Administrator should undertake a compensation review so that they can adhere to a compensation structure that will retain and attract the highest caliber professionals and ensure that residents receive the best services available.
11. Evaluate how each department identifies or allows secondary employment and determine the effect (if any) of secondary employment on primary employment performance. Explore whether there methods for using secondary employment to incentive primary employment performance.
12. Direct the Business Administrator to establish a blue ribbon panel to conduct a review of departments, divisions and functions to determine if there is opportunity to consolidate departments, divisions or functions to improve operational efficiencies, save money and improve customer services.
13. Direct the Business Administrator to examine succession planning for each Department or division to determine the succession plan accounts for the retirement or disability of employees and the continued functionality of the department or division in the absence of said individuals.
14. Evaluate the use of grant funds by each department and analyze whether a mechanism exists for proper coordination of grant applications and the use of grant funds or funding from non-traditional sources (such as foundation grants or gifts).
15. Direct the Business Administrator to conduct regular outreach to customers and constituencies to assess the quality and accessibility of services. Regular outreach can be through the use of web-based surveys or random quality assurance follow ups.
16. Immediately evaluate the City's policy on "outside employment". Many senior management members hold as many as two additional jobs outside their responsibilities in Jersey City. A City of this size needs the one hundred percent attention of its senior staff. A clear and consistent policy on outside employment should be adopted and enforced.

**i. Jersey City Municipal Clerk**

**Purpose/mission (core function)**

The City Clerk is a position mandated under the Faulkner Act and appointed by the City Council. Its responsibilities are defined in Chapter 3, Article 5 of the Municipal Code.

- a. Chief Elections Officer for Jersey City (certifies municipal elections)
- b. Secretary to the Municipal Corporation (prepares and distributes council agendas, keeps meeting records, municipal resolutions and letters that require advice and consent of city council etc.)

- c. Maintains municipal code
- d. Registrar of vital statistics (marriage records and death certificates)
- e. Coordinator of all OPRA requests to the City
- f. Repository of Financial Disclosure Forms that are filed with the State

Informally, the City Clerk serves as a portal for the public to access City Hall, in part because of their office location at the public entrance to City Hall.

#### **Departmental Structure**

The City Clerk manages the department, with two Deputy Clerks. All staff report to the Clerk.

#### **Budget**

\$918,992 proposed in CY2013, flat from CY2012, of which 89% is salary. In addition, the cost of conducting election(s) is included in the City Clerk's appropriation (budgeted at \$600,000). The Department collects an estimated \$130,000 in fees. [2013 Budget Book, p.26]

#### **Number of Employees/Staffing**

13 full-time permanent employees, who work mostly 8:30am-4:30pm M-F at City Hall, with 2 employees located at the Records Center (DPW complex).

#### **Critical Needs/Top Concerns from Dept Perspective**

1. Retention of senior staff (top 5 employees represent 95 years experience). Clerk believes senior staff is underpaid relative to other municipalities
2. IT infrastructure does not make City Council and other information the Clerk manages readily accessible to staff or public, with less than optimal electronic search capabilities.
3. Department and the public are excessively burdened by OPRA requests for routine information or forms which it believes other departments should answer directly (without requiring an OPRA request).
4. Records prior to 2003 have not all been scanned which creates a problem both in terms of storage and searchability.

#### **Current/future policy/programming Initiatives**

1. Dependent upon changes ongoing with the State Registrar, the Clerk hopes to regain and expand the ability to issue certified copies of birth records.

2. The location of the Records Center at the DPW Complex is problematic due to flooding risks. The Center is scheduled to move, but the final destination is not yet established.

### **Use of Technology**

The Clerk's office publishes some useful public documents on the web:

1. City Council agenda, proposed ordinances, resolutions
2. Municipal Code

Most of the Clerk's documents are produced on personal computers.

There is no use of social media. There is no provision for online service requests. Clerk did indicate that social media would be appropriate and beneficial for many of its services as a means to inform the public.

Generally speaking, better information technology is needed to allow department staff and the public to efficiently access information. The City follows a records management policy established by the state, and records management capabilities vary from department to department. There is no unified system for records storage, access, and destruction.

A document management system would be a desirable part of the City's overall information infrastructure, allowing better security, accessibility, and potential operating efficiencies.

### **Methods for Customer Interaction**

The Clerk's office has two primary sets of customers: the public, and other City departments.

1. Public interaction is principally in-person and by telephone
2. Interaction with other City departments is principally by phone and email

### **Jersey City Municipal Clerk Recommendations**

1. *Institute evening hours a few times a month for the Clerk's office:* As a means of providing better customer service, consider having evening hours a few times a month, possibly during the evenings of the council caucus meetings.
2. *Work with IT to create searchable document management software program that allows the Clerk's office and the public to easily search its records. This initiative should including digitizing City Council resolutions to allow the public to search resolutions by a topic without first having to know the date which the topic was discussed.*
3. *Citizens Service Act needs to be fully implemented and featured more prominently.* The Citizen Services Act required creation of an online directory, current membership and application procedure for boards, commission and agencies in Jersey City. It appears a limited portion of

the information required is posted online. Assessing and completing what remains to be posted should be prioritized.

4. *Review City boards and agencies:* Determine which boards and agencies are necessary and still serve a function. Publish on the City's homepage any openings on the boards/agencies which have been determined to be needed. Create easily located links from the City's homepage of the boards and agencies functions and directories.
5. *Vulnerability of Records Center.* The move of the Records Center to a less vulnerable facility should be a priority for both the Clerk and DPW and coordinated discussion needs to be undertaken under leadership of BA.

## ii. Jersey City Department of Recreation

### Purpose/Mission (Core Function)

Chapter 3, Article XVI (16) of the Municipal Code defines the duties and responsibilities of the Department of Recreation and its Director as follows:

The Department shall be responsible for all recreational and leisure activities provided by the City of Jersey City, including.

1. Determine the use of all recreational facilities owned and operated by the City of Jersey City;
2. Be responsible for the concept, planning, development and implementation of recreational programs, activities and events;
3. Promote and advertise recreation programs, activities and events and shall direct and oversee their implementation;
4. Regularly interact with neighborhood organizations, churches, schools, nonprofit agencies and other interested groups and companies to promote recreational and leisure activities within the City

More specific duties and responsibilities are articulated in the Calendar Year Introduced 2013 Budget (CY2013) presentation. According to that document, the Department of Recreation is responsible for the planning and implementation of programs and recreational activities for residents of all ages. Those programs and activities include but are not limited to: Co-Ed Youth NFL Flag Football, Boys and Girls Elementary and High School Basketball, Adult Aquatic Classes, Adult Fitness Classes as well as Special Needs Programs.

Recreation also assists various little leagues, non profits and block associations with recreational programs. In addition, they physically maintain the City's three pools (2 outdoor and 1 indoor) and arrange aquatic events at other pools throughout Jersey City.

The Department issues various field permits but is not responsible for parks or field maintenance. That function is handled by the Department of Public Works (DPW).

Many Recreation programs are run out of public schools.

### **Departmental Structure**

According to the organization chart contained within the CY 2013 Budget presentation, the Department consists of a Directors Office, the Pershing Field Location, the Bethune Center and various other sites.

### **Budget**

As detailed in the introduced CY 2013 Budget, the total budget for the Department of Recreation is \$3,035,800 broken down as follows: Salary and Wage: \$2,590,00 and Other Expenses: \$445,800. The overall CY2013 budget for the department represents an increase of \$273,565 or 9.9% over last year's budget.

Most Recreation programs for residents are offered for free.

### **Number of Employees/Staffing**

28 employees (18 f/t and 10 p/t). The Department uses seasonal employees as well. From September to May, the number of seasonal employees is approximately 130 and increases to between 400 and 450 employees from May to August.

### **Critical Needs/Top Concerns from Dept Perspective**

Several needs were identified that relate to coordination between Recreation and other departments that maintain or operate the facilities utilized by Recreation.

Coordination with DPW – The overwhelming majority of calls to Recreation relate to questions/complaints about field/park maintenance which is not a function of the Department. Although the Director has a productive working relationship with DPW to address these issues, they require a high degree of coordination and attention. One of the challenges that Recreation faces in fulfilling its mission, is that DPW staff and Recreation staff have inconsistent work shifts (Parks maintenance staff works from 6 to 4 except those at a specific facility). It was noted that Recreation's seasonal employees have greater flexibility with staff schedules.

Recreation and School Facilities – Recreation has a letter from Superintendent providing them access to school facilities for their recreation programs. However, schools within the City are increasing their academic programs and as such, Recreation is losing access to school facilities from 3 to 6.

Recreation and School Personnel Costs – Recreation programs are mostly free and pay is not comparable to a school run program. School run programs are a means to supplement teacher and staff salaries but Recreation cannot pay at these levels. This creates further challenges for Recreation in trying to site their programs in schools, as school will give priority to their own programs that better compensate their personnel.

### **Current/Future Programming Initiatives**

*Identify location for Boxing Activities:* The city has boxing ring and equipment but no physical location to place these materials. The sport is of growing interest in the city and Recreation has been trying to identify a location for the ring.

*New Programming:* In addition to boxing, the Director also expressed a desire for new programming to satisfy growing demand in soccer, volleyball, lacrosse and cricket. Discussions should be started with Cultural Affairs regarding possible need for children's programming in the arts.

### **Use of Technology**

Generally speaking, use of technology is limited. Recreation has a website that it utilizes to post information and residents can download some forms such as ball field requests. However, many forms are not online.

Email/social media lists of program users are not created or utilized. Residents cannot register for programs online (they can just download the forms) and the Recreation website is not adequately linked to other sites.

### **Methods for Customer Interaction and Community Input**

Recreation relies on its website, flyers that are distributed through the schools and word of mouth to notify residents about programs and services.

The Director actively meets with community groups in order to receive public input about programming needs.

### **Use of Metrics**

The Department does not have any formal system for assessing whether its program offerings are meeting the needs and wants of the community.

### **Jersey City Department of Recreation Recommendations**

1. Link Recreation Website to Other City Agency, School and Non-Profit Organization websites: No cost way to promote Recreation programs and integrate other City agencies to promote each other's services. The School district should also consider putting Recreation Department information back in the calendar it sends to every household in the City. The City should also assess how it communicates the availability and nature of its programs to the community. Different demographics may require different methods of communication.
2. Work with IT Office to put all forms online and develop plan for online program registration.
3. Use Recreation Department Registration Forms to Build Email/Social Media Constituent Database: Recreation should analyze feasibility of requesting email address on every registration form so the Department can create its own database of users for email and social



media communication with its constituents about upcoming events, programs, athletic leagues, etc.

4. Explore revenue opportunities through advertising at Recreation Facilities (not schools). I.E. advertising opportunities at athletic fields, pools, skating rinks, movie nights, etc.
5. Strengthen Jersey City Recreation Foundation. The Administration should immediately review the Foundation with an eye towards enhancing its ability to better attract corporate support to strengthen Recreation Department offerings.
6. Strengthen the relationship between the Department of Recreation and the Department of Public Works so that both better understand the need to deliver quality recreation programs to the citizens of Jersey City.
7. Discuss possibility of DPW implementing some staged staffing to ensure maintenance personnel are available to Recreation after 4 pm.
8. Explore Recreation sponsored Community Nights (movie nights): In addition to offering a community service, could create opportunity for other departments to engage with public on other services (e.g. Health Dept child immunization services).
9. Assessment of City Recreation Programs: To better ensure that Recreation is offering the right programs in the right places, the Department needs a better understanding on what residents are looking for and whether their services are geographically available. A plan should be developed to survey the community to identify unmet needs.
10. Assess how the City can outline all of its assets in providing program locations including schools, the YMCA, Loews, and Harmon Street pool.

### **iii. Jersey City Health & Human Services**

#### **Purpose/Mission (core function)**

The Dept. of Health and Human Services exercises state statutory functions related to public health and provides social services. Its responsibilities are defined in Chapter 3, Article 13 of the Municipal Code and in NJ Statutes Title 26.

1. Enforce state and municipal laws to prevent and control disease
2. License and inspect food establishments
3. Provide for children's health and STD clinics
4. Operate Women, Infants & Children (WIC) program
5. Public health reporting and education
6. Animal control

7. Health investigations
8. Supervise programs for senior citizens
9. Produce city-sponsored cultural events and support community-led cultural events.

This department has a high number of direct resident contacts through the provision of individualized services.

#### **Departmental structure**

By ordinance, the Department has four divisions, which can be grouped into two functional areas. The Health and Clinical Services divisions perform mandated public health services and other health-related activities. The Cultural Affairs and Senior Citizen Affairs divisions provide community services.

1. Health - Inspections and licensing, public health investigations, Animal Control, health education
2. Clinical Services - Lead Poison Prevention, Children's Health Clinic (immunizations), STD clinic
3. Cultural Affairs – Assists/facilitates permitting for cultural events as well as coordinates some of its own cultural events.
4. Senior Citizen Affairs - Nutrition programs (800 meals/day delivered), senior activities and advocacy

In addition, HHS runs one of the state's largest Women, Infants & Children (WIC) program, with 14,000 constituents. It is fully federally funded and run as a de facto separate division. A seasonal Summer Food program and Drug Alliance program also exist as free-standing programs reporting to the Director, with funding outside the Department's budget.

#### **Budget**

\$4,784,191 proposed in CY2013, a 1% increase from CY2012, of which 66% is salary. Roughly \$2.44 million is funded by grants. The department is responsible for licenses and fees revenues of \$415,266 (CY2012 actual). These numbers exclude the WIC, Summer Food, and Drug Alliance programs whose revenue and appropriations are outside the HHS budget. [Information from HHS Director's Transition Report p.11, and email follow-up.]

In addition, the Department receives and disburses \$1.6m for its WIC program, which is outside the City budget.

#### **Number of Employees/Staffing**

122 employees, deployed as follows:

- Director's office - 11
- Health - 40

- Clinical Services - 11
- Cultural Affairs - 13
- Senior Citizen Affairs - 26
- WIC - 20
- Drug Alliance - 1
- Summer Food – Seasonal

Some positions require state licensing (Nurses, Animal Control Officers, Health Inspectors, Health Officer).

#### **Critical Needs/Top Concerns from Dept Perspective**

Consolidation of staff and services into a single (or at least fewer) location(s) for purposes of better management and ease of serving customers. Many of the clinics and services are spread out over the City in costly leaves and some areas of the City may not have adequate nearby access to services.

Stagnant staff salaries and budget challenges place limitations on enhanced programming and service delivery.

Cost and difficulties of Animal Control: suggested as a possibility for outsourcing or regional consolidation.

Hiring process also challenging in time and steps.

#### **Current/future policy/programming Initiatives**

Like other City departments, HHS has in recent years had a primary orientation towards preserving services in an environment of declining funding and staffing. There are no proposed major service expansion initiatives.

2013 goals include: find final office location for a consolidated Department, move Cultural Affairs into the Apple Tree House, find permanent location for the City's art collection.

#### **Use of Technology**

There is no use of social media. There is little provision for online service requests, except for Animal Control. The department has limited ability to communicate with its customers, except for dog licensees who can be reached by email.

Greater use of email and social media to communicate with stakeholders is an area of opportunity. It is working well with dog license holders and Department could begin a process to obtain email information from other stakeholders and license holders for purpose of initiating electronic notification.

### **Methods for Customer Interaction**

HHS serves the public, principally by in-person provision of services. The Department does use email for dog license holder interaction.

### **Use of Metrics**

The Department appears to have good records of health services provided. These numbers appear to be used mostly for reporting on program accomplishments. Although there appears to be limited use of metrics to gauge performance (as opposed to overall data reporting).

### **Jersey City Health & Human Services Recommendations**

1. *Determine feasibility of opening a second Children's Health Clinic:* The cost would be approximately \$250K, but providing another clinic that serves the opposite side of the City would provide an important public health services.
2. *Add Additional WIC Office:* WIC clinic is currently only at MLK Drive location. Support the current initiative to obtain State funds to support an additional WIC location to provide better customer service to program participants.
3. *Develop Plan for Email/Social Media Stakeholder Interaction -* All customer populations should be readily accessible by email, social media, or phone, both for ordinary and emergency communications. The Department should immediately develop a plan to collect email addresses of people served by all HHS programs.
4. *Consolidation of Health Offices/Services* It is clearly desirable to have program administration consolidated in a single location. At the same time the Department needs to evaluate if it might better serve its constituents by offering key public health services (such as the Children's Health Clinic) at multiple locations.
5. *The Health Division Director is currently housed at a location remote to most of their staff,* complicating day-to-day management. Reunifying this division should be an immediate priority.
6. *Evaluate the effects that the President's healthcare initiatives will have on how the City offers its services.*

#### **iv. Jersey City Department of Business Administration**

##### **Purpose/Mission**

The Department operates essentially as the Chief Operating Officer for the City. Day to day operations of the running of government are handled by the BA and the BA is responsible for effective implementation of the Mayor's directives and management of the Departments. The BA is the highest-ranking, non-elected official.

Chapter 3, Article VI (6) of the Municipal Code establishes the position of Business Administrator and outlines the duties and responsibilities of the office. Some of those duties and responsibilities include:

1. Assist in the preparation of the budget;
2. Administer a purchasing and general service system;
3. Supervise the activities of those divisions and offices within the Dept of Administration;
4. Perform such other duties as the Mayor may prescribe.

The code also articulates the following:

The Business Administrator shall also, subject to the direction of the Mayor, supervise the administration of each of the departments established by this Administrative Code. For this purpose, he or she shall have the power to investigate the organization and operation of all departments, to prescribe standards and rules of administrative practice and procedure and to consult with the heads of the departments under his or her jurisdiction, provided that, with respect to the Dept. of Law and the Div. of Accounts and Control, the authority of the Business Administrator shall extend only to matters of budgeting, personnel and purchasing.

#### **Departmental Structure**

According to the organization chart included in the CY 2013 Introduced Budget, there are 14 Divisions within the Department of Administration. Those Divisions include: Management and Budget, Municipal Court, Risk Management, Pension, Communications, Utility Management, Personnel, Tax Collector, Public Defender, Purchasing, Accounts and Control, Treasury and Debt, IT and Payroll.

#### **Budget**

According to the introduced CY2013 Budget, the total budget for the Department of Administration is \$14,082,494 an increase of \$437,635 or 3.2% over last year's budget.

#### **Number of Employees/Staffing**

There are 208 employees within the Department.

#### **Critical Needs, Top Concerns from Dept perspective and General Observations**

Departmental wide policies, by code, are to be administered through the BA. However, the application of personnel issues ranging from hiring to discipline has become too ad hoc and inconsistent across government.

Throughout our discussions (with the BA and department directors) it became apparent that the linkage between Departmental execution of Mayoral and citywide policies has significantly weakened to the detriment of the accountability and efficiency of government. Departments too often have gone directly to the Mayor or the Office of the Mayor to avoid policies departments or individual Directors do not like or want to implement.

It was broadly noted that the IT division needs to transition from a service/support function to an aggressive advocate for the implementation and use of technology.

It was similarly discussed that too many departments act individually and inconsistently on a host of policies ranging from discipline to technology to hiring and that government has generally moved away from accountability measures such as performance and operational reviews.

Change does not come easily and there is always human resistance to new technologies and policies. The BA needs to have the authority and continued support from the Mayor to consistently enforce policy across city government.

### **Use of Technology**

The Department has an IT office (with 18 employees according to the introduced budget) but it primarily serves a service function for governmental operations. For a variety of reasons (limited staffing, limited funding for technology, insufficient empowerment/authority to implement change) it does not act as an aggressive advocate for technology adoption throughout government. Departments do not have IT liaisons and the level of technological sophistication is limited. The division does use cloud storage in a very limited way and believes it has the capacity to use cloud storage for additional applications.

As noted in the departmental overview, a Chief Technology/Information Officer position should be created and empowered to develop a strategic technology vision and implement software and technological changes throughout government.

The Dept. is implementing a new online, bidding procurement system (BidSync)

### **Methods for Customer Interaction**

The BA manages the operations of government and as such, has limited interaction with the public. Monthly meetings are held with department directors to review City operations and discuss Mayoral directives or other policies that require citywide implementation.

The City's grant consultants falls under the management of the CFO but we heard from several departments that they had little, if any, interaction with the Grants consultant.

### **Use of Metrics**

We did not find any evidence of substantial and consistent use of metrics to measure employee performance or departmental operations.

### **Jersey City Department of Business Administration Recommendations**

1. The BA position is critical to implementing the policy and cultural changes Mayor-elect Fulop wishes to bring to governmental operations. It is critical that the position be filled with a strong leader who both understands government and Mayor-Elect Fulop's vision for a metric-driven, performance-based, accountable governmental operation. The BA must also be empowered and continually supported to apply policies consistently across governmental departments.

2. Reinstitute annual employee computer training - This was ended due to budget cuts several years ago and should be reinstated to promote efficiency and consistency across departments.
3. Review capabilities and use of cloud storage for cost savings. The IT office should review what services can currently be stored on the cloud, what services should be stored on the cloud but cannot and develop cost savings plan for cloud migration.
4. Digitization of Documents: Original digitization schedule worked in two phases. Some digitizing was completed but the overall process seemed to stop about 3 years ago. There are still many existing documents that need to be digitized. There also needs to be a strategy for digitizing new documents as they are processed.
5. Develop plan to digitize/automatic Council resolutions in conjunction with the Clerk's office develop a plan to digitize Council resolutions. This is especially disruptive to the procurement process. Purchasing waits for the official/adopted signed Resolutions before implementing contracts or purchases. Having them digitized and available online will expedite the process, increase employee efficiency and reduce costs.
6. *Study consolidating the Divisions of Personnel, Payroll, Pensions and Health Benefits into a new Division of Human Resources:* These functions have been increasingly computerized resulting in the need for technological coordination.

#### **Jersey City Cultural Affairs Recommendations**

1. Direct the Business Administrator to evaluate the reorganization of Cultural Affairs, including an assessment of whether it is more appropriately located within another Department or Division. The goal of any possible move of Cultural Affairs should be to raise the profile of the Arts in terms of its City-wide impact and facilitate permit management.
2. Discussions should be undertaken between Recreation and Arts about assessing demand/need for more arts programming for children.

#### **v. Jersey City Department of Housing, Economic Development and Commerce**

##### **Purpose/mission (Core Function)**

HEDC is responsible for planning and overseeing the orderly growth and development of Jersey City's residential, commercial, non-profit, and industrial sectors through the coordination of agencies, comprehensive planning, regulation of land use, disbursement of state and federal grant funds, permitting, and code enforcement.

##### **Departmental Structure**

There are 8 divisions each with their own Director plus the Director's Office with eight employees.

Planning - 13 employees.

Responsibilities include administering and providing staff support to the Planning Board (PB), Zoning Board of Adjustment (ZB) and Historic Preservation Commission (HPC).

Zoning - 5 employees.

Enforces and Interprets Chapter 345 – Land Development Ordinance along with Jersey City's current use of the Master Plan, Enforces decisions made by the Zoning Board of Adjustment, Planning Board, Historic Preservation Commission and in some cases, Municipal and Superior Court, Reviews all construction plans, permit applications and Certificate of Occupancy applications for zoning compliance, inspects construction projects for compliance with approved plans prior to the issuance of a Certificate of Occupancy, Regulates all land use requirements, including, but not limited to fence and building height, lot dimensions, building setbacks, parking, landscaping, lighting and signage.

Office of Construction Code Official – 31 employees.

Administers and enforces the State Uniform Construction Code and conducts the centralized issuance of permits and inspection services

Commerce – 11 employees.

Functions include city ABC licenses and fees, entertainment licenses, regulation of taxis and buses, collecting franchise taxes and regulating weights and measures.

Housing Code – 13 employees.

Enforces Jersey City Property Management Code and maintains related database. Inspects hotels and motels and handles hotel license renewals. Maintains vacant property inventory and enforces ordinances related to vacant and abandoned properties.

Community Development – 20 employees.

Develops and rehabilitates both housing and public facilities and provides services through partnerships with various public agencies, not-for-profit organizations and for-profit developers.

Economic Development – 3 employees.

Works to attract commercial, industrial, retail, and residential development to the City of Jersey City. The Director of the Division of Economic Development supervises all current Urban Enterprise Zone (UEZ) projects. Facilitates the relocation of prospective developers by assisting them in securing financing and creating attractive open spaces and high-end services.

Tenant/Landlord – 5 employees.

The Office of Tenant/Landlord Relations assists tenants and landlords in the City to understand their rights and obligations, under New Jersey Tenancy Laws and the Jersey City Rent Leveling



Ordinance. The Office mediates tenant/landlord disputes, and adjusts rents in accordance with the Jersey City Rent Leveling Ordinance.

**Budget**

\$6.5 million, including \$1.2 million in grants for Community Development.

**Number of Employees/Staffing**

109 employees. 24 are paid from grants.

**Critical Needs/Top Concerns from Departmental Perspective**

Generally, HEDC is very aware of the public's perception of the inefficiency of the building department in particular. HEDC attributes much of the difficulties to significant reductions in staff from 159 in 2008 to 109 currently. HEDC is frustrated with the entire hiring process and the inability to fill critical positions such as inspectors. The lack of inspectors is a significant driver of the inability to properly perform its mandate. Frustrations were also expressed about political interference with their workflow and overpromises about timelines and expectations, especially in light of their staffing concerns.

It was also noted in response to questions that there is no customer service training for HEDC employees.

On the technology front, HEDC cannot accept electronic payment or electronic filing of applications. Both of these issues are expected to be remedied very soon.

Concerns were also raised about information infrastructure as it relates to cell phones, working land lines etc. This was especially problematic post Sandy.

Technology will be covered below but the Spatial Data Logic (SDL) system offers incredible potential to transform the operations of HEDC and government in JC. It appears to be a "game-changing" technology but it is similarly clear that coordination with other departments to take advantage of the capability is lacking.

There was a clear desire for more developers of mid to large size projects to meet and consult with Department of Buildings before submitting documents. Many of the more sophisticated developers do this and the upfront meetings create a more efficient and quicker process. They expressed a desire for a process to connect with potential development projects and get them into HEDC for discussion as early in the process as possible.

HEDC, especially Division of Planning, has significant perpetual storage requirements. The contract to digitize these documents ended three of four years ago and no documents since then have been electronically stored. The documents are costly to store, make the fulfillment of OPRA or other information requests unnecessarily difficult and leaves the documents vulnerable to destruction from natural disaster.

Office of Construction Official – There is acknowledgement that the job is not getting done the way it should and that there is inadequate customer service, especially at the counter. The Division is understaffed (lost 40 employees since 2008) in terms of both inspectors and clerical staffers and they cannot meet statutory deadlines for turnaround. They fear problem will get worse because they lack the manpower to handle the current building boom.

Staffing Issues – significant concern about reduction in number of inspectors and clerks and impact on operations.

There are twenty inspectors and when asked about what would be an effective level of inspectors, it was indicated they would need to hire 11 additional inspectors (net of replacing retirements)

- Currently 5 building inspectors, would like to add 2.
- Currently 4 plumber inspectors, would like to add 2.
- Currently 4 electrical inspectors, would like to add 2.
- Currently 4 elevator inspectors, would like to add 2.
- Currently 3 fire protection inspectors, would like to add 3.

HEDC believes current inspector salaries are below market making recruitment difficult and would like to revisit additional compensation to inspectors with additional certifications.

There are seven clerical staff (down from 13 years ago). The impact of this is felt in many ways. Inspectors are forced to spend too much time on clerical work as opposed to doing inspections.

- Would like to eliminate clerical titles in Construction Code Division and train and upgrade clerks (four to five) to the title of “Technical Assistant” enabling them to issue building permits.

### Technology

HEDC will deploy shortly Spatial Data Logic software, which will allow for paperless storage and access of property records by HEDC and ultimately all city departments. Building Department inspectors will carry tablets enabling access to property records in the field. The goal is to allow electronic signatures, certificates, approvals, permits, plan submission, and credit card payments. SDL software will pull maps and other information from the GIS system. Once operational, the Tax Assessor’s office will be able to pull information, including COs for it’s MOD4 system.

- HEDC has fifty tablets for use by inspectors with SDL system. They indicated this is more than sufficient.

HEDC uses a GIS (Geographic Information System) for cartography that collects and maintains data about land. The GIS system for Jersey City allows the Department to take the almost 1500 tax maps and unite them with different variables of information needed by HEDC. An updated map will cost the city \$500,000.

GIS system is another important technology but again unclear how GIS is coordinated with other departments or even the SDL system. All knowledge of the GIS system lies in one individual within HEDC

and there is a clear need for additional IT support and others, including in relevant agencies, who can utilize GIS. GIS mapping is very beneficial but it is costly and HEDC did indicate it is considering seeking enactment of ordinance increasing development application fees to offset costs of GIS system map update.

#### **Methods for Customer Interaction and Community Input**

HEDC created the Business Connect Program (in Div. of Economic Development) to help businesses familiarize themselves with, and thereby expediting, the process they need to follow to obtain the proper building permits to receive a Certificate of Occupancy (CO). Information about the Business Connect program is available on the HEDC website. It was unclear, how effective, if at all, this is.

HEDC created a construction manual for its customers to utilize, but the production of the manual was stopped.

#### **Use of Metrics**

HEDC currently has no internal audit process and we received no sense of any use of performance of customer service metrics.

#### **Jersey City HEDC Recommendations**

1. *Create a Jersey City Business Action Center* within the current Division of Economic Development to effectively serve Jersey City. The City needs a high profile entity that can maximize the economic assets of Jersey City and can engage developers and businesses earlier in the process of succeeding in Jersey City. Setting up an empowered and robust Business Action Center (similar to what Governor Christie has established) will create a high profile location for businesses and developers to go to learn what they must do and begin the permit discussion and coordination process. It will create a place within HEDC that can facilitate businesses through the permitting process. The Jersey City Economic Development Authority and Jersey City Redevelopment Authorities should be similarly reviewed to see if any of their functions can be better coordinated with the new Business Action Center.
2. *Director of HEDC should evaluate the need for increase staffing in the Building Department.* This is necessary both to provide higher levels of regular service and to handle the increase in work related to the present surge in construction. However, prior to increasing staffing, it is recommended that a thorough review of providing customer services on-line be undertaken to determine the most cost efficient means for what may in fact be a combination of increasing staff plus the implementation of SDL (spatial data logic) to significantly improve the operations of the department.
3. *Improve Transparency and Efficiency of Hiring Process* – Institute aggressive approach to the Building Department's advertising and recruiting of inspector positions. This includes utilizing State Government websites, the State League of Municipalities Website, etc. A review of salaries at large cities should be undertaken to assess whether there is a real issue in terms of recruitment/retention, as part of this assessment. The City should consider whether additional compensation for holding multiple licenses is appropriate and an operational efficiency.

4. *Assess Hiring Technical Assistants for the Building Department:* Technical assistants (not Clerks) are licensed and can perform multiple functions, not just clerical work.
5. *Study creation of separate "line" for residential or large development projects* as a means to ease the process for residential homeowners with smaller projects.
6. *Spatial Data Logic* – This initiative is much bigger than HEDC and requires strong leadership from IT to integrate this city wide and realize its potential to transform how government serves the public. Thorough employee training for SDL should take place and plans made to recognize that as employees are trained, that will impact pace of inspections. HEDC, IT and Tax Assessor need coordinate integration of Assessor into SDL.
7. *GIS* - Again, with IT, an understanding of how GIS and SDL complement each other should be undertaken. Similarly, it is very concerning that all JC's GIS knowledge relies on a single individual within HEDC. HEDC should hold off any GIS investments pending review by IT.
8. *Digitization of Document Storage* – The lapse of the digitization contract has created real vulnerability for departmental records, increases costs and impedes customer services. Development of a plan to digitize the existing documents and documents going forward should be prioritized.
9. Division of Planning should meet regularly with DPW/Division of Architecture to coordinate.

vi. **Jersey City Department of Public Works**

**Purpose/Mission (Core Function)**

The Department of Public Works is responsible for all public works functions of city government, and for providing technical advice and service to other departments. Its responsibilities are defined in Chapter 3, Article 9 of the Municipal Code.

DPW is the 3rd largest City Department by budget and 4th by number of staff. Through the Buildings and Automotive Departments, DPW touches every other city office, and through streets and parks maintenance, DPW responsibilities extend to every corner of the City.

**Departmental Structure**

By ordinance, the Department has 6 divisions:

1. **Architecture:** Design, structural maintenance, rehab and demolition of all public buildings and parks, sets standards for all facilities on city-owned land
2. **Engineering, Traffic, and Transportation:** Design for streets and transportation, coordinate engineering activities
3. **Buildings and Street Maintenance:** Maintain city buildings and streets

4. Automotive Maintenance: Maintains city vehicle fleet
5. Parks and Forestry: Maintains city parks, trees on city properties, and "city trees" on private property
6. Neighborhood Improvement: Inactive, unstaffed. Direct Neighborhood Improvement District program and enforce quality of life ordinances

#### **Budget**

\$14,625,503 proposed in CY2013, a 4.6% increase from CY2012. 51.6% is salary.

#### **Number of Employees/Staffing**

152 employees:

- Director's office - 8
- Architecture – 6 (requires professional licensing)
- Engineering, Traffic, and Transportation – 25 (requires professional licensing)
- Buildings and Street Maintenance - 42
- Automotive Maintenance - 19
- Parks and Forestry – 52

#### **Critical Needs/Top Concerns from Dept Perspective**

Construction of West District police headquarters. The Director flagged this as a problem area due to contractor issues. Construction is eight months behind schedule and the City will likely need to pursue a claim for liquidated damages.

Many buildings and departmental deployment decisions are made on an ad-hoc, reactive basis, and there has been a lack of long-term direction regarding the city's building needs. This has resulted in high operational costs due to leasing, fragmented deployment of the city workforce, and location of staff in facilities that are not always adequate and locations which are not always accessible.

Staffing issues. Workforce reductions, budget pressures, and the nature of many positions have produced many low-wage earners. There is also a shortage of skilled tradespeople due to retirements and difficulty finding replacements (masons, welders, etc). Civil service rules were identified as a barrier to removing under-performing staff and reassigning staff according to work needs and employee skills.

DPW is responsible for Parks maintenance while Recreation issues parks permits. This requires a high degree of coordination. Parks maintenance staff works six to four which creates issues if Recreation/parks have needs after 4. Unless, an emergency, those needs not met until the next day.

#### **Current/Future Policy/Programming Initiatives**

Construction of Linden Avenue DPW/JCIA facility. The facility is scheduled to open May 23, 2014. DPW identified no issues (absent unforeseen environmental issues) that jeopardize the opening. New

facility will result in operational efficiencies (including significant energy and operational savings) and promote sharing of resources between DPW/JCIA. Automotive maintenance is planned for expansion to round-the-clock coverage.

Better supervision and reimbursement of street openings by public services (requires Council action, in process).

The Department has done preliminary research into possible sites for consolidation of city offices. The city has had informal discussion about leasing facilities at 440 Marion Gardens but it's more of a storage facility and would require costly renovations to house other services. They also informally looked at using facilities at the Bergen/Old Provident site but they did not act and now the county is using them. Developing an overarching strategy about the locations of city buildings needs to come from the Mayor's office through the Dept. of Business Administration.

The new site for the DPW facility has two separate development sites (one site is .5 acre and other site is 1.5 acres) that need strategic planning for future use.

#### **Use of Technology**

There is no direct use of social media. DPW notifies the Mayor's office about street closings which are published on the Mayor's Facebook page. There is little provision for online service requests, except for potholes, curb repair, tree issues, and trash in parks.

#### **Methods for Customer Interaction**

DPW has two primary sets of customers: the public, and other City departments.

Public interaction is principally by telephone and by service request forms on the city website. Service requests may be made by email, but email addresses are not published on the website. Many requests initiated by the public come to DPW from City Council members, the Mayor's Action Bureau, or other City entities.

The department has little formalized public communications, although the Director attends community meetings, principally related to parks issues.

Interaction with other City departments is principally by phone and email and service requests are tracked. This normally occurs at the Division Director level or higher.

#### **Use of Metrics**

DPW indicated they track services requests for street repairs, tree-trimming, and automotive maintenance. They are used primarily for reporting, with little apparent analysis of these. Consistent with a new prioritization of tracking metrics and customer service, DPW needs greater *emphasis on customer service requests and making response metrics a regular, of senior staff.*

DPW manages a large workforce which is dispersed in the field (principally Streets and Parks). There seem to be only rudimentary capabilities for assessing work performed. Supervising this workforce and tracking their work is important to efficient operation of these functions.

There does not seem to be a good list of trees that are DPW's responsibility. Effective tracking of trees would enable an analysis about the cost-effectiveness of DPW responsibilities for city-maintained trees located on private properties.

#### Jersey City Department of Public Works Recommendations

1. DPW indicated they track services requests for street repairs, tree-trimming, and automotive maintenance. They are used primarily for reporting, with little apparent analysis. DPW needs *greater emphasis on customer service requests and making response metrics a regular part of the quality assurance and quality control oversight conducted by senior staff within DPW.*
2. DPW manages a large workforce which is dispersed in the field. There seem to be only rudimentary capabilities for assessing work performed. Supervising this workforce and tracking their work is important to efficient operation of these functions.
3. *Explore the Expansion of service hours/Staggered work shifts.* DPW Director should explore whether it should either increase staff hours or expand or stagger work shifts to address simple Park maintenance requests that occur during summer evening hours when parks are heavily used. Also, explore the use of seasonal employees.
4. DPW should work with IT office to analyze whether its current fleet management software is the most effective means of tracking assets or whether more appropriate software exists.
5. *Improve coordination with Dept of Recreation.* The public should not bear the brunt of the bifurcation of ball field permits and park maintenance. Better integration on staff maintenance and availability would assist in a seamless delivery of public services to recreation program users at times when services are needed.
6. *Absorption of certain JCIA functions into DPW/Space Allocation in new building.* There are numerous areas where DPW and JCIA perform similar services. A plan should be put together to merge similar services as appropriate.
7. *Procure ESCO vendor to implement energy audit recommendations* and realize citywide savings in building operations.
8. *Improve Communication and Coordination between City Planning and DPW's Architecture/Engineering.* A monthly division director meeting might be a start to ensure these departments share information about planned and future activities.
9. Assess the possibility of utilizing the County Provident Bank building.
10. Evaluate the methods employed and available to track the City's vehicle fleet.
11. Assess the benefits of institutions on "Adopt a Park" initiative to offset the cost of park maintenance.

vii. Tax Assessor

Overview

The Office of the Tax Assessor (known as the "Office of Assessments" under the City's Code) falls under the supervision of the City's tax assessor who is statutorily responsible for fairly valuing and maintaining a record of the proper record owners and assessed values for all real properties in the City. The City's tax rolls currently consist of approximately 55,000 line items that require regular adjustment as the ownership of and conditions on properties change. This includes, but is not limited to responsibility for maintaining the City's tax map along with other underlying records required by law for assessment purposes, such as: income/expense statements for income producing properties, exemption forms for non-profits and disabled veterans, and deduction forms for seniors and non-veteran disabled residents. A staff of 14 individuals, including the assessor and two deputy assessors, currently carries out these tasks. Within the last five years, the office has had as many as 17 employees.

Tax Appeals

One of the current challenges faced by the Assessor's office is managing an increasingly large docket of tax appeals in recent years. Currently, there are over 3,100 appeals pending before the county tax board and approximately another 400 before the State tax court, which faces a significant backlog and can result in costly refunds for the City. Aside from his staff, the Assessor has the assistance of two licensed appraisers under contract at a total cost of approximately \$70,000 per year. A single in-house city attorney represents the Assessor in almost all tax appeal proceedings. It should be noted that any revaluation will increase the volume of tax appeals. New assessments resulting from expiring PILOT agreements in future years will also most likely trigger additional tax appeals. Currently, the settlement of State tax appeals requires approval by the governing body; whereas, county tax appeals are done under delegated authority with reports regarding the overall status of settlements and outstanding appeals being provided.

Inspectors

Aside from site inspections conducted for the purpose of revaluation by outside contractors, regular inspections must take place when new development, demolition or other significant property improvements takes place that can affect the value of property. Inspections are also frequently required to verify data provided in relation to the exempt use of certain properties.

Currently, there are only two inspectors that frequently have to conduct "drive by" inspections which are not ideal for assessment purposes as the recordation of added assessed value could be lost. An issue was also raised regarding the safety and adequacy of the vehicles used by these inspectors while on duty, which are reported to have approximately 175,000 miles on them and break down frequently. There is a significant amount of development and redevelopment projects in the pipeline in the City that could increase demand for inspections in the coming years.

Revaluation

Any revaluation process inherently triggers the most significant amount of public contact that ever takes place with the Assessor's office. In 2010, the City undertook its first citywide revaluation in more than two decades. Thereafter, the City contracted with the Realty Appraisal Company to conduct



the revaluation, requiring individual site inspections of all real property in the City. According to assessor, approximately 90% of the revaluation inspections have been complete along with the updating of much of the official tax map and MOD IV data entry. Procedurally, property owners would be informed of their new assessments and offered the opportunity to informally contest their new property records and assessment, which may be administratively adjust prior to the Assessor's filing of his tax book. Thereafter, new assessments may only be challenged through the regular tax appeal process, however, the deadline for filing such appeals is extended a month after revaluations take place. The Realty Appraisal Company is contractually obligated to serve as the City's expert appraiser to defend appeals of the assessed values that their revaluation established. Nevertheless, the Assessor's office will have to be proactively engaged in addressing a significant volume of questions and concerns of property owners as the revaluation process is completed.

### **Technology**

Nearly all of the Assessor's records are currently maintained in electronic form. The Assessor is required to utilize the State-mandated uniform MOD IV system to maintain electronic assessment records. This data can be accessed online, but is not currently linked via the City's website. Currently, there is no electronic integration with building officials or with the County Clerk that could help update property records when new deeds are recorded.

The Assessor cannot find out electronically when building improvements are performed or finished or an action occurs in another part of government that affects land value. Providing electronic access to other departmental actions that affect land value and thus trigger an inspection for reassessment is critical. The current system is not only inefficient and unnecessary but the City foregoes revenue because of the lag in the ability to inspect and reassess improvements.

It was noted in our briefing at HEDC on the spatial data logic system that the Assessor's office is scheduled for Phase 1 integration. However, the Assessor has not been contacted about this and was unaware of this plan.

Integrating these systems, or at least electronically transmitting data, could help reduce support staff needs utilized for manual data entry. This, however, will not only require departmental cooperation and/or full IT systems integration throughout the City, but also cooperation with county officials that could also make the electronic filing and settlement of tax appeals before the county board more prevalent.

The Assessor did believe that social media would be a valuable tool to provide information and bulletins to the public.

### **Tax Assessor Recommendations**

1. Improve technological integration and/or utilize the electronic transmission of information between the Assessor and other departments so that the Assessor is immediately aware of the need to conduct inspections on recently improved, demolished, or constructed properties.
2. If the SDL system (or equivalent) is implemented then the Tax Assessor must ensure that all relevant block and lot data is accessible to the relevant departments.

3. Engage county officials regarding technology integration and/or electronic transmittal of property records data along with the promotion of electronic filing/disposition of county tax appeals.
4. Examine whether inspections lag is occurring because of the lack of inspectors or lack of technological integration that can be fixed through the planned SDL integration.
5. The revaluation issue is very complex and there are many unanswered questions. In light of its far reach and significant impact on the public, the rationale and need for the revaluation needs to be reassessed. In addition, the technological integration that is scheduled to occur at the Tax Assessor's office is an important factor in considering the need for the revaluation as it should enable the Assessor to have significantly better information to efficiently perform its missions.

viii. **Tax Collector**

**Overview**

The Office of the Tax Collector falls under the Division of Tax Collection within the Department of Administration. The office is supervised by the City's Tax Collector who is statutorily obligated to collect quarterly tax payments and other assessments, including hotel taxes, Special Improvement District (SID) assessments and PILOT payments for the City from nearly 60,000 payers. Part of the collections function also entails conducting accelerated tax sales and managing the placement of municipal liens and processing redemptions. The office is currently staffed by 13 individuals, including the Tax Collector and two full-time cashiers who accept payments in person. The City currently maintains a high, 99% collections rate.

**Staffing**

The Department has thirteen staff members, including the Director and two full-time cashiers.

**Challenges/Concerns**

With the recent dissolution of the City's abatement office, the Collector's office has assumed the task of monitoring and collecting payments for the City's 112 PILOT agreement payees. There do not currently appear to be significant collections issues relating the PILOT payees, however, it is unclear whether the Collector's office is properly equipped or has the resources to monitor and ensure compliance of the legal conditions (especially job creation and jobs going to Jersey City residents) placed upon abated property owners as a condition of their receipt of such abatements.

The Director enjoys a very productive working relationship with the Department of Law in regards to PILOT true ups. This is an important inter-departmental relationship for the efficient and accurate collection of PILOT revenue.

A unique issue was noticed regarding the collection of the hotel tax from entities that rent spaces/apartments to corporate entities on a short-term (30-day basis). Technically such entities should be paying the city's 6% hotel tax. The Tax Collector's office is required to audit the payments of those renting these spaces, but has encountered difficulties in enforcing these collections due to privacy concerns and determining applicability. Currently letters are sent from the law department demanding

payment from the short-term tenants but with little effect. The Tax Collector believes this could be a significant additional revenue source and should be further reviewed.

### **Technology**

The Tax Collector's office seems to have significantly embraced technology through the implementation of an online tax inquiry and payment system that is updated in real time. This system allows the public to easily access tax payment records going many years back. It also enables property owners to pay their taxes electronically online.

Again, however, the Collector's online system, while containing valuable data and functionality for collection tasks, is in a separate silo from other electronic data gathered by the City. While not currently permitted by State law, the Collector would like to pursue the future ability to transmit tax bills and delinquency notices electronically, which could save significant time, effort and money. The collector would like to add the capability for individuals to check the payment status of their account online.

Like in other departments, there is no use of social media as a means to notify and communicate information to residents. The Director, like the Assessor, believes operations and customer service would benefit from an outgoing social media strategy.

### **Tax Collector Recommendations**

1. *Pursue electronic billing alternatives* – Work with Department of Law and Office of the Mayor to utilize electronic billing and delinquency notices.
2. *Institutionalize oversight regarding PILOT compliance*, which is beyond the purview of the Tax Collector's office.

## **ix. Office of the Mayor**

### **Purpose/mission (Core Function)**

The Office of the Mayor manages and directs each department to ensure that policies and procedures are followed on behalf of the Mayor. The office of the Mayor also assists the Mayor in working with Federal, State and local officials on behalf of Jersey City and interacting with autonomous agencies and Boards.

### **Departmental Structure**

The Department has a Chief of Staff, a Press Secretary and two Deputy Mayors. The Office of Communications and the Mayor's Action Bureau are located within the Office of the Mayor.

### **Number of Employees/Staffing**

According to the CY13 budget, the Office of the Mayor has 25 employees, although we were informed there are currently 17 employees.

### **Mayor's Action Bureau (MAB)**

The MAB handles all types of inquiries from Jersey City residents ranging from governmental to requests for rental assistance of utility problems. There are 8 employees in MAB. Six customer service representatives and two operators. Four of the employees are bilingual. All of the customer service representatives have general knowledge (there are no subject experts) and no specific training for customer service representatives except for use of the software system.

MAB operates 9-5 during the week. The MAB Director indicated that several years ago, MAB had initiated evening hours but the demand was not there.

Every department has a liason to the MAB. However, it is inconsistent across departments how seriously they respond to MAB requests. Several departments require high level intervention to deal with repeated instances of MAB indifference. MAB does not meet regularly with departmental liasons.

MAB operates an online help center through specific software called Gov Q and A. The software allows MAB to log and track resident inquiries and how long inquiries have been pending. It does not seem that the software has a rich, analytical capability or at least not one that is fully utilized. The software is not universally utilized throughout departments so the MAB system does not give a comprehensive picture of resident inquiries, only those that come into the MAB system.

The irony is that the community knows very little about MAB, even though MAB's stated mission is to assist the public. Therefore it should adopt a more proactive approach to advise the public of its existence and purpose.

### **Office of Communications**

The Press Secretary is the most senior position. Reporting to the Press Secretary is a Director of Communications that oversees JC1TV and the Director of Communications has two AV technicians that produce JC1TV. There are two 2 graphic designers that are responsible for print, programs, promotional materials. One staff person is responsible for website content and social media for the Office of the Mayor. There is also one photographer and one administrative staff person.

As currently constructed, the Office is not capable of assisting departmental transitions to more aggressive use of technology as a means for customer service. The Office can do little more than manage press inquiries

### **Observations**

Several high level, institutional concerns were discussed and are reflective of what we saw in our departmental meetings and reflected in our overview document.

Resistance to change and a bureaucracy that is stuck in its way makes effectuating change exceptionally difficult.

Civil Service Rules are a significant impediment to enforcing performance accountability and exacerbate the challenge of changing the culture of government.

Implementing and enforcing policies throughout the Departments is a real challenge and requires 100% commitment to consistency.

Technology must be prioritized as a greater strategic objective.

#### **Current/Future Policy/Programming Initiatives**

Office of the Mayor instituted a comprehensive 3 year plan for the Administration.

A 311 system to improve integration was initiated but put on hold due to lack of resources.

#### **Use of metrics**

The Office of the Mayor has attempted to increase the use of metrics and the budget document does incorporate departmental performance statistics. However, it seems the success of this effort has been limited, presumably because of the concerns about effectuating change noted above.

#### **Office of the Mayor Recommendations**

1. *Review Operations of Mayors Action Bureau* - MAB appears to hold significantly greater potential than has been realized as a customer service tool. However, it needs to be taken more seriously by all the departments and departments must be held accountable if they do not sufficiently respond to MAB inquiries.
2. *Ensure that one employee within Office of Mayor has responsibility for Federal, State and local policy agenda.*
3. *Overhaul Office of Communications* – The Department needs a Director of Communications to be in charge of strategic direction and management. It needs a press secretary responsible for press inquiries and content management for the website and other writing responsibilities. It needs two dedicated website/social media staffers who can work with IT and the departments to implement an aggressive plan to engage and notify the public via technology.
4. The website itself needs to be redone with an improved content management system that allows greater ease of uploading and changing content and incorporating additional electronic interaction for services.
5. *Institute Operational Audits of Governmental Services and Programs.* Fiscal audits determine if funds are being spent in accordance with legal requirements. Operational audits determine if programs are effectively operating and serving public needs. Direct Office of Administration to develop a priority list and program for rotating, operational audits to assess program effectiveness, and cross departmental efficiencies.
6. *Institute Staggered Shifts for Certain Elements of Workforce* – It was noted in several departments that traditional working hours inhibited the ability of the public to efficiently access public services. Working with the Division of Personnel, departments should assess which functions would better serve the public if limited, non-traditional hours were instituted on certain days or during certain times of the year.

#### **4. EXECUTIVE RECRUITMENT. (SANGEETA RANADE, CHAIRPERSON)**

##### **Charge and Scope of Analysis**

"This committee, with the assistance of and information developed by the Department Operations Review Team, will identify key, high-level policy-making positions in the Administration critical to the carrying out of the Mayor's policy, operational and administrative initiatives. This committee will assist in the identification, recruitment and screening of these high level policy decision makers and make recommendations to the Mayor for appointment."

##### **Committee Membership**

The committee is made up of 6 members selected by the Mayor-Elect and his transition leadership team. The committee consisted of diverse members in all senses of the term and represents many aspects of the Jersey City and New Jersey work force.

1. Sangeeta Ranade (chair)
2. Muhammed Akil
3. Jeremy Farrell
4. William Harla, Esq.
5. Trish Mueller
6. Ellen Simon
7. John Thieroff

##### **Executive Recruitment Report**

Due to the confidential nature of employment matters and to protect the integrity of the recruitment and hiring process, this committee will provide a high-level overview of the principles that guided its work and a summer of the actions it has taken and will continue to take to assist the Mayor-Elect in his recruitment and hiring efforts.

##### **Committee Mission**

The Executive Recruitment Transition Committee was charged with identifying key, high-level policy-making positions in the Administration critical to the carrying out of the Mayor's policy, operational and administrative initiatives. The committee was asked to assist in the identification, recruitment and screening of the identified high level policy decision makers and to make recommendations to the Mayor-Elect for appointment.

##### **Methodology**

The committee began by meeting to establish protocols and to establish parameters for a fair, transparent process for recruitment that could be applied consistently to all candidates.

**Guiding Principles:** Develop a senior team that strongly supports the Mayor Elect's vision and has the skills required to execute on it.

Establish a highly professionalized team with exceptional management experience.

Create a team that reflects the diversity of Jersey City.

Align the interests of staff with the Mayor Elect's vision by, where possible, requiring senior managers to live in Jersey City.

#### **Plan of Action**

The committee agreed upon 5 actions to ensure a fair, open and productive process. They are:

1. To seek applicants from a wider pool beyond the traditional sources including reaching out beyond Jersey City and current and former New Jersey government personnel as well as to seek candidates from a broad spectrum of backgrounds including but not limited to the nonprofit, government, and private sectors.
2. To proactively solicit applicants via the press, from surrounding Universities, and government and policy fellowship programs.
3. When qualifications are equivalent, to give priority to Jersey City residents or, if there is no such applicant, to applicants willing to relocate to Jersey City.
4. To ensure that all resumes are reviewed by at least 3 members of the committee. After this initial review, to generate a shortlist of applicants for consideration by the Mayor-Elect and his leadership team. Background checks will be conducted by the appropriate City staff after finalists are selected.
5. To perform a preliminary review of all applicants seeking mid-level positions as a quality control and to forward all qualified applicants to the Department Directors or Deputies for further consideration.

#### **Summary of the Process to Date**

As of June 17, 2013, 416 resumes were submitted for consideration through the web platform established by the Mayor-Elect. The committee has undertaken a thorough review of all resumes in accordance with the guiding principles detailed above. Interviews for senior level positions have begun and will continue past July 1. The committee will submit recommendations to the Mayor-Elect and his leadership team on a rolling basis as appropriate candidates are identified. The committee has been extended and will continue to function in its current capacity after July 1.

#### **Recommendations for Post Transition Recruitment**

1. Realign/re-categorize senior level resumes based on the results from the organizational review committee.
2. Advertise more widely for hard to fill positions by using national and local chapters of professional organizations, linkedin.com, and free websites such as idealist.org.

3. Articulate very clearly the residency requirement and the timing for relocation in all advertisement.
4. Develop clear and accurate job descriptions for senior level positions.
5. Revamp the City's compensation options to facilitate the recruiting and retention of top talent.



**5. WORKFORCE DEVELOPMENT, TRAINING AND REENTRY. (HENRY PLOTKIN, CHAIRPERSON)**

**Charge and Scope of Analysis**

"This committee will review personnel policies and staffing, and programs for the development of a training-on-demand strategy to train unemployed residents of Jersey City for employment in the various business sectors of the community. The committee should consider a Mayor's Business Community Summit to assist in the development of the plan. The committee shall also evaluate the mechanics of enforcing the various work force initiatives including those imposed under current tax abatement agreements."

**Summary of Recommendations**

The work of this committee has been extended and will continue after July 1 to examine certain issues raised in these recommendations.

**Workforce Development Initiative Through the Jersey City Employment & Training Program (JCETP)**

1. Request that the JCETP conduct a self evaluation or outside party or expert panel evaluation focused on how it is meeting its mission, or where it could improve upon its efforts to meet its mission.
2. Empower the JCETP to undertake a greater role at the WIB, and to participate in economic development initiatives to have a seat at the table with businesses looking to locate, relocate or expand operations in the City.
3. Identify and evaluate the effectiveness of job training and placement programs for returning veterans.
4. Evaluate and empower coordination between JCETP and the public library system given the facilities and resources available in the public library system.
5. Evaluate the scope and effectiveness of existing on-the-job (OTJ) training programs with an emphasis on more on-the-job experiences.

**Pay for Success**

6. Empanel a Blue-Ribbon committee consisting of business community executives, workforce and social service experts to examine the possible applications of a pay for success model in Jersey City.

**Web Based Education**

7. Create a task force to examine the implementation of web-based educational training for unemployed residents focusing on worker skills and literacy.

**Tax Abatement Employment Compliance**

8. Rehire abatement compliance officers.
9. Conduct a survey of all current abatements to determine each project's level of compliance with residential and minority employment targets.

10. Develop a process to ensure that developers interview JC residents and offer proper wages and benefits, and track outcomes.
11. Executive Director of JCETP should be empowered to levy fines on non-compliant businesses, and recommend the partial revocation of abatements in extreme circumstances
12. Executive Director of JCETP should report the status of business compliance to the B.A. and Mayor on a quarterly basis.
13. Executive Director of JCETP should hold community forums to solicit input prior to a new development project being granted abatements to focus on community priorities to improve the lives of residents. Potential priorities for exploration include community benefit agreements to fund parks or community centers or contributions to vocational training programs.
14. The Executive Director of the JCETP should meet with developers to discuss the composition and skill requirements of a developers' permanent workforce at least eight months prior to employee recruitment. The Executive Director of the JCETP should then ensure JCETP coordinates a portion of their training to match those requirements.

#### **Prisoner Reentry**

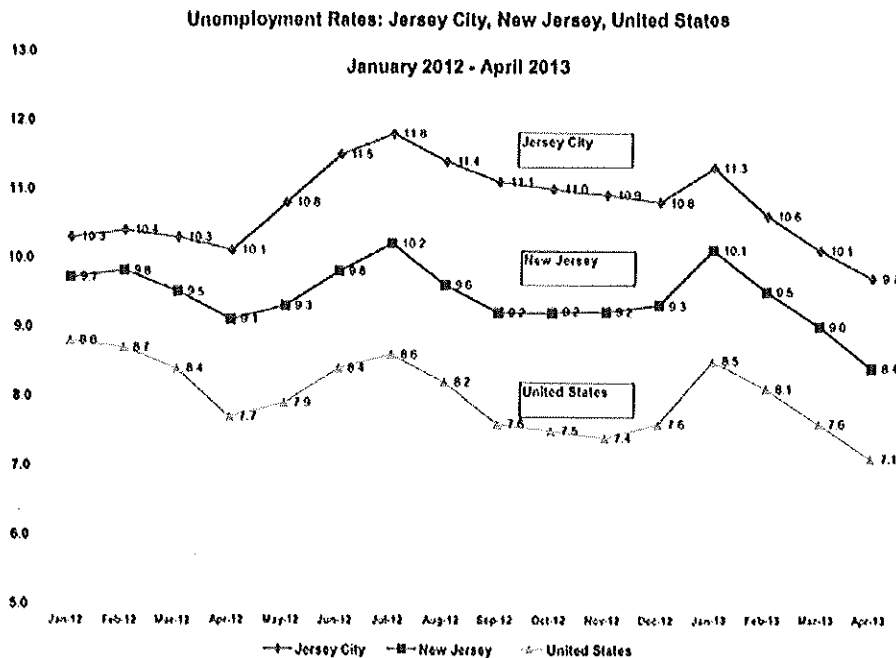
15. Mayor Fulop should empanel a taskforce to develop a fundable, goal oriented plan for creating a prisoner reentry program that works in tandem with the JCETP and community based organizations to address employment, housing, substance abuse treatment, and related needs.

#### **Workforce Development Initiative**

##### **Background and Rationale**

Jersey City, like most of the nation, suffers from a highly fragmented and largely unarticulated employment and training system. That is, the institutions that are charged with matching labor supply and demand are not fully able to meet the needs of students, workers, and those seeking employment by effectively linking them to the evolving needs of the employer community.

For Jersey City, this mismatch problem is particularly acute with nearly 40% of the population attaining an education level of high school or less. And even the more formally educated portion of the population is too frequently trained in professions that are in decline. This educational deficit accounts for much of the "structural" unemployment, which is a driving force behind the mismatch between the skills of the unemployed and the skills demanded by employers. The slow growth of the national and state economies after the meltdown in 2008 has left Jersey City with a 9.7% official unemployment rate which in actuality is much higher when underemployment and those leaving the labor market are counted. The current "official" number in comparison to the rest of the state and nation is:



Addressing the overall employment condition of Jersey City citizens will require bold policies that go well beyond tinkering around the institutional and personnel edges of current programs. The workforce development system, as currently configured, is populated by a Rube Goldberg patchwork quilt of institutions and programs with different missions, funding sources, performance measures, traditions and habits of mind. Moreover, despite all the agencies involved in some aspect of workforce development, the system itself is largely unknown to both those who seek employment and those who want to hire. In our review of Jersey City's workforce development system, anecdotal evidence exists that its programs are less visible and coherent than even those who manage them would prefer.

We believe that Mayor Fulop should re-empower and reconfigure the Jersey City Employment and Training Program (JCETP) which has authority over key workforce-related programs and services. Current workforce development services are largely defined by funding source and habits of mind that limit policy choices. It is not unreasonable to assume that other entities with complimentary missions, e.g., economic development, higher education institutions and vocational schools (public and private) are in similar straits. Therefore, the first goal of the reorganized JCETP should be to work with these agencies, institutions and the employer community to develop a common strategy to match labor supply and demand. The JCETP Executive Director should interact with Economic Development Corporation, the Housing Authority and the Redevelopment Authority, along with other relevant city agencies. Key education institutions should also be participants, as should, most critically, representatives from the business community. The Executive Director of JCETP should also either be on or have representation on the Hudson County Workforce Investment Board (WIB) to ensure that JCETP policies are coordinated with the WIB. The newly reconfigured JCETP would focus on the following:

1. Create a real partnership between economic development efforts and the workforce system.
2. Provide the employer community with a single and highly visible point of contact;
3. Allow for the coordination of new initiatives - from developing collaborative policy initiatives to cooperation in seeking grants. Indeed, an important component of this new initiative is to have the resources necessary to quickly apply for the myriad of workforce related grants that are available;
4. Analyze common functions across various agencies to achieve greater efficiencies. For instance, there is significant overlap between the Jersey City One-Stop Career Center and activities at Hudson Community College that could be merged. Similarly, HUD funded training efforts, which are under the auspices of the Housing Authority, can be combined with similar efforts funded by the federal Workforce Investment Act (WIA) and the State Workforce Development Partnership Program.
5. Providing support for job training and job placement for returning veterans.
6. How it can work collaboratively with the Jersey City Public Library system to provide training facilities and job training resources in the library system.
7. Evaluating the scope and effectiveness of existing OTJ programs, with a greater emphasis on actual on the job experience.

Our foundational recommendation is that the JCETP undergo a forensic analysis of its operations. There are, as one would expect, conflicting opinions concerning the performance of the JCETP. Acceptance of such opinions should be tempered by the understanding that judging One-Stops is complicated by the need to distinguish between flaws inherent in the WIA legislation and regulations and the particular performance of current management and staff. Consequently, we recommend that either an outside contractor should be retained or that the Mayor commission a panel of experts to provide the new administration with ideas for improvement. The Hudson County WIB has expressed an interest in helping with this One-Stop review. There is also an ongoing effort to perform a similar assessment of the Newark One-Stop funded by a sizable United States Department of Labor Innovations Grant. Officials in Newark have agreed to cooperate with Jersey City in providing access to the sophisticated techniques and metrics being employed in that evaluation.

While we think it is critical for the suggested evaluation to take place to ensure that JCETP is fulfilling its major responsibilities, this process should not prevent the new Fulop Administration from utilizing the resources of the One-Stop to achieve its purposes. Indeed, the suggested evaluation of the JCETP One-Stop should be seen as an opportunity to reshape it to new purposes even as its current performance is being assessed.

#### **Pay for Success Initiative**

#### **Background and Rationale**

The low level of adult literacy is a serious workforce problem that cannot be solved within the constraints of currently available resources. Consider the following:

#### EDUCATIONAL ATTAINMENT IN JERSEY CITY

Population 25 years and over	176,693
Less than 9th grade	12,227
9th to 12th grade, no diploma	12,048
High school graduate (includes equivalency)	44,022
Some college, no degree	28,868
Associate's degree	6,205
Bachelor's degree	46,478
Graduate or professional degree	26,845

As this data indicates approximately 38% of Jersey City's population lacks any form of postsecondary education, which has come to be seen as the bare minimum precondition for obtaining a good job at good wages. The link between education and income is clear:

Median Income in New Jersey By Level of Education (Source: U.S. Census, 2010)

State:	\$42,473
Less than high school	\$21,463
High school (or equiv.)	\$31,295
Some college/AA	\$40,213
Bachelor	\$57,081
Graduate or professional degree	\$80,417

There is another correlation that underlies this data - 34% of those with less than a high school education and nearly 23% of those with high school diplomas do not participate in the labor force. A recent report by the New Jersey State Employment and Training Commission argues that nearly 40% of adults in the state are less literate and mathematically proficient than the labor market requires. Based on the National Assessment of Adult Literacy survey, these findings portray a population what will be permanently consigned to low wage jobs or no job at all. The terrible truth about adult literacy is that there simply are not sufficient resources available to address this issue.

A new idea that is receiving wide attention and support from the government and the private sector is "Pay for Success". Originally conceived by the Rockefeller foundation and endorsed by the Anna Casey Foundation, tested in Great Britain in 2010, this novel idea of using private sector funding to support public sector programs may be an idea whose time has come. The United States Department of Labor describes this initiative as follows:

The Pay for Success (PFS) model is a new way of financing social services to help governments target limited dollars to achieve a positive, measurable outcome. Under the Pay for Success model, a government agency commits funds to pay for a specific outcome that is achieved within a given timeframe. The financial capital to cover the operating costs of achieving the outcome is provided by independent investors. In return for accepting the risks of funding the project, the investors may expect

a return on their investment if the project is successful. However, payment of the committed funds to the investor by the government is contingent on the validated achievement of results. In this way, the PFS model shifts the burden of investment risk from the government to private investors, effectively creating a social investment market where the government only pays for results.

Though models put in place for specific projects may vary, the basic PFS model includes the following key players, or partners:

1. Government entity: interested in providing a contract or grant for services
2. Investors: provide total operating capital for the project
3. Intermediary: coordinates the project and selects and funds services providers
4. Service providers: deliver services to a target population
5. Independent evaluator: validates the results of the project

We would strongly recommend that the Mayor form a blue ribbon committee consisting of business community executives, workforce and social service experts and those with experience in actually using this model, among others to develop an action plan to examine the possible application of a PFS model in Jersey City.

### **Comprehensive Web-Based Education Initiative**

#### **Background and Rationale**

If Jersey City is to provide genuine economic opportunity to the many thousands who wish to improve their lives, it can only be accomplished by the use of the internet to deliver those services. The Sloan Foundation has strongly endorsed this approach to meeting the needs of those who have limited education. Not only are web-based services cost effective, but an intelligently designed program can provide computers and internet access to those who cannot afford them, save the cost of childcare and transportation by being home-based, offer time flexibility as to when to participate, can provide a blended model with some classroom time as well as offer on-line tutoring to supplement the software.

There is a deep literature emanating from the Sloan Foundation, the Rutgers Center for Woman and Work and other research institutions attesting to the efficacy of such a comprehensive web-based education initiative. On-line education has the potential, if applied comprehensively, to raise the educational level of vast numbers of Jersey City citizens. We would recommend that the Mayor establish a Task Force to develop a comprehensive plan for using web-based educational training focusing on worker skills and literacy. There are national and state experts who can be recruited to serve, as well faculty from the higher education and adult learning communities.

### **Tax Abatement Employment Compliance Initiative**

#### **Background and Rationale**

Jersey City tax abatement agreements require businesses to undertake a "good faith effort" to ensure that half of their workforce is comprised of Jersey City residents and half of those employees are minorities. A survey of City records from 2008 found that less than 15% of employees working on abated projects lived in Jersey City, suggesting a major untapped source of employment opportunities for local residents. Additionally, since the passing of the July 2012 ordinance amending Chapter 3 of the

municipal code, all abated projects are required to pay standard wages and benefits for certain service positions. Therefore, improved enforcement of abatement agreements could also result in higher wages for many Jersey City residents.

#### Implementation

1. Conduct a survey of all current abatements to determine each project's level of compliance with residential and minority employment targets.
2. Develop a process designed to hold employers accountable to ensure they interview qualified Jersey City residents for open positions and pay any required wages and benefits. Clear process benchmarks will enable stakeholders to determine whether JCETP identifies qualified residents for positions, whether they are interviewed, and whether the business hires them or states in writing a sufficient reason why they were rejected. The Executive Director should have the authority to levy fines on non-compliant businesses or in extreme cases, recommended the revocation of a portion of an abatement.
3. The Executive Director should report the status of business compliance to the Business Administrator and Mayor on a quarterly basis. This reporting will include information on wages and benefits provided to workers on abated projects.

#### Future Projects

Abatement contracts should be developed for future projects to focus on additional priorities that would improve the lives of Jersey City residents. To help determine these priorities, the Executive Director should lead a community forum prior to the start of a development project to solicit local residents' input. In addition to employment benchmarks, potential project requirements could include:

- Standard wage provisions for additional positions;
- Commitment to finance a local project (e.g. enhance a local park or renovate a community center);
- Hire a percentage of employees from the community where the development will occur; or
- Contribute to a state-recognized vocational training fund.

Additionally, the Executive Director should meet with a developer to discuss the composition and skill requirements of a developers' permanent workforce at least eight months prior to employee recruitment.

#### Prisoner Reentry Initiative

##### Background and Rationale

Today in Jersey City, returning offenders face barriers to obtaining educational, vocational, job search and treatment interventions. Offenders return to Jersey City from county, state, or federal prison, often without jobs or skills, stable living environments, or even money for basic needs. Still,

offenders are expected to traverse Jersey City meeting with various service providers who have limited coordination with one another, or with justice officials. This disjointed system of services and lack of access to programming triggers repeated criminal behavior.

To appreciate the severity of the problem, one must examine the scope of the population it effects. According to the Federal Bureau of Justice Statistics, (2008) 12.3 to 13.9 million employable adults are ex-prisoners, or 1 out of 33 members of the workforce. Of this group, historical data illustrates that 4 out of 10 offenders entering a correctional environment are returned to their community within 3 years of conviction. Of those released, over 60% will be rearrested within 3 years, according to the Department of Justice. Moreover, 65% of the inmate population suffers from addictions to drugs and/or alcohol. Failing to adequately care for this population increases the likelihood that they will commit new offenses, preventing them from living purposeful lives, incurring significant costs for the justice and corrections systems, and putting the public at risk.

Current reentry programs in Hudson County are available only to those returning from County Jail who are suffering from addiction and/or mental health disorders, and serve approximately 5% of the total reentering county jail population. Currently, 70% of the 1800 inmates in the Hudson County Jail are from Jersey City. It also must be recognized that as of January 2013, there are over 1800 inmates from Hudson County in State penitentiaries, of which, greater than 95% will be released, and all of which are ineligible for county reentry services. To address these gaps, Jersey City should empanel a task force to develop a fundable goal oriented plan for creating a reentry program that works in tandem with the JCETP and community-based organizations to work towards meeting employment, housing, substance abuse treatment, and related needs.

Successful funding of a Jersey City Reentry Program will require a monetary commitment from the City, as well as significant State, Federal, and possibly private grant funding. The Hudson County Reentry budget may be useful as a template for how this can be done.

The potential benefit of a successful reentry program for Jersey City would be immense. The benefits would be felt primarily by three groups: those who receive services, find employment, and are able to live productive lives as a result, the judicial and correctional systems, which will experience significant cost savings, and the general public, which will benefit physically, financially, and psychologically from a reduction in crime.



**6. REAL ESTATE/REDEVELOPMENT/BUSINESS CLIMATE-OUTREACH COMMITTEE. (JEREMY FARRELL, CHAIRPERSON)**

**Charge and Scope of Analysis**

"This committee will work on identifying and reviewing existing areas where redevelopment is supported by the City, including outreach to current redevelopers to evaluate what is working and what can be improved. The committee will evaluate administration and coordination between various City agencies handling housing and economic development (such as City Departments, JCRA, JCEDC, JCHA & JCPA). This committee will also identify potential growth areas in the City and the type of development and industries that should be incentivized by the City. The committee will evaluate existing and potential incentives to support growth, including Long-Term and 5-year Tax Exemptions/Abatements, and other local, county, state and federal programs to foster economic development, including the use of New Market Tax Credits, Low Income Tax Credits, HUD grants, USDOT programs and grants, State ERGG, State Urban Transit Hub Tax Credit, and other programs available from NJ EDA, NJEIT, NJRA, NJDOT and NJ Transit. This committee should also evaluate the City's relationship with the Port Authority of New York and New Jersey and the Authority's impact on the redevelopment of the City. The committee should make recommendations to improve the value to the City of the Authority's position and activities in the City."

**Members of the Committee**

*Dave Barry, Real Estate Executive*  
*Dania Caballero, Construction Contractor*  
*Michael Capelli, Labor Leader*  
*Jim Dowling, Engineer*  
*Jamie Fox, Strategic Advisor*  
*William Harla, Esq.*  
*Karim Hutson, Real Estate Executive*  
*June Jones, Real Estate Executive, Community Activist*  
*Jeff Kaplowitz, Real Estate Professional*  
*Jamie Lefrak, Real Estate Executive*  
*Phil Rivo, Real Estate Professional*  
*Eric Silverman, Real Estate Executive*  
*Kevin Brown, Labor Leader*

**A. PROCESS AND OVERVIEW**

**Methodology**

To implement the direction of study established by the Mayor-elect, the Committee engaged in the following tasks: It undertook a statutory analysis of State, local and related provisions applicable to issues affecting redevelopment, among them the legal framework established for the functioning of the City's redevelopment agency and the law and tax policy governing tax abatements. The Committee met on multiple occasions to consider the scope and elements of its duties, examine the policies effecting redevelopment, and assess the impact of the City's existing policies on development, both for profit and non-profit entities. The Committee, collectively and individually, conducted interviews and assessed data provided from all cross sections of the City—residents, public officials and employees, builders, and

developers, both large and small, community advocates, and redevelopment specialists, consultants and academics. It considered the input provided to the Mayor-elect at no less than three public meetings.

### Discussion

The Committee utilized the information gathered during this process to address the central charge of the Committee: "to evaluate what is working and what can be improved." We approached our efforts mindful of the fact that the nature of development in all its forms—commercial, residential, profit and non profit—has shaped and will shape the City in a physical and spiritual way. In short, what kind of urban environment do we want Jersey City to be?

We know that real estate development and its policy umbrella are not the only thing that makes a great city, but we do know that a thoughtful, reasoned, comprehensive development strategy, properly and efficiently managed by the City, is critical to ensuring the quality of life of Jersey City residents by ensuring adequate tax revenues to support needed City services, creating jobs at all income and educational levels, and ensuring vibrant neighborhoods of different and varying characteristics by providing a mix of housing, commercial and recreational opportunities.

Markets often have a limited life, a natural cycle influenced by such factors as interest rates, demand, the availability of government programs (both regulatory and economic to promote development), and the general and local economy, among prominent factors. Some of these elements are often outside the control or even influence of local government officials, but there are critical elements of the real estate development and business climate environment that local officials can control and influence by their policies. The Committee thus tried to focus on those discretionary matters that it can direct and that would make Jersey City an attractive place to pursue commercial and residential development to ensure that the renaissance of Jersey City continues, not just on the waterfront which enjoys certain "natural" advantages by virtue of its proximity to New York City and being well served by an integrated transportation network, but in neighborhoods more remote from the waterfront but essential to the continued vibrancy and stability of the City and its character and quality of life.

The charge to the Committee is broad and the time given to the Committee is short. Accordingly, after some initial evaluations and assessments, the Committee focused its efforts on two main areas that are perceived to have a significant impact on the nature of real estate development in the City: 1. the City's Tax Abatement policies; 2. the administration of the City's building permitting and inspection responsibilities; and 3. Ways to improve the business climate to retain and attract new business in Jersey City. Our focus on these areas revealed immediate steps that can (and should in our view) be taken that will eliminate barriers to development, create incentives for development and enhance the quality of life for the whole of Jersey City so that the quality of life of the waterfront is extended to the entirety of the City.

Tax Abatement Policies. The Committee took a long, hard and detailed examination of the City's historic use of its Payment in Lieu of Taxes (PILOT) program, which is one piece but not the whole of the redevelopment puzzle. It assessed how PILOTS create incentives for development and where they create incentives for development within the City. Generally, as discussed in more detail below, the Committee reaffirms the value of tax abatements as means of promoting commercial development in the City. We propose reforms to make the Tax Abatement process more transparent and predictable. Additionally, although the use of this mechanism has fostered redevelopment almost exclusively in the

City's waterfront area, the Committee believes the City's use of PILOTS should be modified to encourage redevelopment in other parts of the City as well. This Report makes recommendations to achieve these goals.

Building Permitting and Inspections. The proper administration of these functions has a real world impact on development in the City. As discussed in more detail below, our examination of this issue has revealed widespread dissatisfaction with the City's Office of Construction Code Official. This Report identifies many of those complaints, and offers some recommendations to improve the delivery of its services.

Business Climate, Other Incentives and Barriers to Redevelopment. Although this Report as an imperative of time focuses principally on a reconfiguration of the City's Tax Abatement Policies and the vast improvements that need to be made to the building permitting and inspection process, the Report touches briefly on some other issues pertaining to redevelopment in the City and its attractiveness for future development.

**B. Payments in Lieu of Taxes (PILOT) in Jersey City:**  
**A Tax Abatement Policy for Jersey City**

**Discussion**

PILOTs have been a linchpin for much of the successful redevelopment that has occurred in Jersey City over the past 25 years, particularly along the waterfront and downtown. However, in recent years PILOTs have continued to be granted to developers undertaking projects along the waterfront and downtown even while it has become clear that these areas have become some of the most valuable real estate in the region, if not the nation. We believe the time has passed for the waterfront to stand an equal footing with the rest of the City.

While the continued development of the waterfront and downtown should remain an important goal of the Fulop administration, supporting and encouraging development throughout the rest of Jersey City must be a major priority. As such, a policy whereby long term PILOTs will no longer be the norm for development along the waterfront and downtown is being proposed.

Long term PILOTs should be utilized to support and encourage development in other areas of the City, including but not limited to, Journal Square and Bergen Lafayette. The intention is to prioritize the use of PILOTs in targeted areas, many of which are existing redevelopment areas, to encourage investment and job creation for the benefit of longstanding residents and businesses of the City. This is intended to provide predictability to those willing to invest in these areas.

The current state laws for PILOT programs include:

- Long Term Tax Exemption Law, pursuant to NJSA 40A:20-1, et seq., which requires the location of a project in a designated redevelopment area or within boundaries of City's Urban Enterprise Zone. The City currently has more than 85 redevelopment areas.
- 5-year Tax Exemption and Abatement Law, pursuant to NJSA 40A:21-1, et seq., which requires the location of a project in a designated redevelopment area, area in need of rehabilitation (currently the entire City) or within boundaries of City's Urban Enterprise Zone.

- New Jersey Housing Mortgage Finance Agency Law, pursuant to N.J.S.A. 55:14K-1 et seq., which is limited to affordable housing projects.

While the use of PILOTs is controlled by these state laws, there is flexibility within the Long Term Tax Exemption Law and the 5-year Tax Exemption and Abatement Law to allow the Fulop administration to prioritize and maximize the use of PILOTs to achieve the goals of encouraging development and investment in targeted areas of the City and to provide certainty and predictability to the developers undertaking projects in these areas, as well as along the waterfront and downtown.

### **The PILOT Program Proposal**

The proposed PILOT program structure relies on use of both the 5-Year Tax Exemption and Abatement Law and the Long Term Tax Exemption Law. It proposes to use current City ordinances with potential amendments, including: Five Year Tax Exemption Ordinance (Chapter 304-6 et seq.); Long Term Tax Exemptions Affordable Housing Trust Fund (Chapter 304-28 et seq.); and Construction Project Labor Agreements (Chapter 304-33 et seq.).

The City currently requires a project labor agreement (PLA) for projects with a total project costs exceeding \$25,000,000.

- A project labor agreement is a contract between a labor organization and a developer that contains at a minimum the requirements set forth in the Chapter 304, Article VII of the City Code dealing with Construction Project Labor Agreements. The requirements include but are not limited to a guarantee that there will be no strikes or lock-outs; procedures to insure the timely resolution of labor disputes; binds contractors and subcontractors; and a requirement that 20% of the labor hours required shall be performed by apprentices and that all apprentices be City residents.
- The City has a policy requiring any recipient of an economic incentive, defined as a tax abatement or exemption that reduces the annual amount of taxes otherwise due by \$25,000 or more in the aggregate, to achieve a good faith goal of a work force representing 51% City residents, 51% of whom residents are minorities and, in non-traditional jobs, 6.9% of whom are residents who are women. In addition, to achieve a good faith goal of awarding 20% of the dollar amount of its contracts to local businesses, 51% of which shall be minority or woman owned local businesses. The terms and conditions of such goals are set forth in a Project Employment and Contracting Agreement between the City and developer executed at the time the financial agreement for the PILOT is executed. The requirement for a project employment agreement is a requirement of the PILOT and financial agreement.

Contribution to the City's affordable housing trust fund shall be required only for exemption and abatements for construction of commercial/industrial or multiple dwellings based on the Phase-In basis.

- A contribution is currently only required for any market rate housing project or any commercial or industrial project receiving a long term tax exemption. However, the City's Five Year Tax Exemption Ordinance should be amended to require such contribution as set forth herein. The amount of the contributions is set by State law and is \$1,500 per unit for a market rate housing project; \$1.50 per square foot for commercial space; and \$.10 per square foot for industrial

space. The contributions must be used solely for the rehabilitation or construction or preservation of existing low and moderate income affordable housing or the construction of new low and moderate income affordable housing.

The structure is multi-tiered and is intended to support and provide greater incentives for new development in targeted areas of the City, while continuing to provide financial assistance to support development in along the waterfront.

While certain elements of the 5-Year Tax Exemption and Abatement Law permit "as of right" abatements/exemptions, other elements of the 5-Year Tax Exemption and Abatement Law and the Long Term Tax Exemption Law do not. The structure is intended to suggest to the Fulop Administration a policy for tax abatements and exemptions and provide predictability, certainty and clarity to the development community regarding acceptable tax abatements and exemptions for development projects throughout the City.

#### **Recommended The Tiered Structure**

A map has been drafted to identify eligible areas in the City for Long Term Tax Exemptions, which are redevelopment areas and the Urban Enterprise Zone (UEZ). This map also identifies the area along the waterfront in Ward E where only 5-year Tax Exemptions and Abatements will be recommended. This map is located in Appendix A.

#### **1<sup>st</sup> Tier**

Projects throughout the entire City shall be eligible and shall utilize the 5-Year Tax Exemption and Abatement Law as implemented by the City's Five Year Tax Exemption Ordinance (Chapter 304-6 et seq.)

- The existing elements of the Five Year Tax Exemption Ordinance, specifically Chapter 304-8 through 11 should remain in effect for smaller projects to encourage and support development and investment by single family homeowners and neighborhood businesses throughout the City.
- For exemption and abatements for construction of commercial/industrial or multiple dwellings based on the Phase-In basis, a financial agreement shall be required. A financial agreement is a contract between the City and the developer which sets forth the terms and conditions of the PILOT.
- Annual service charge will be determined based on the Phase-In basis:
  - Year 1 – 0
  - Year 2 – 20% of taxes
  - Year 3 – 40% of taxes
  - Year 4 – 60% of taxes
  - Year 5 – 80% of taxes

All projects in this tier are required to comply with applicable City ordinances, including affordable housing and project labor agreements. Any commercial project located in an eligible area under this tier shall rely on the requirements under the 6<sup>th</sup> Tier.

## **2<sup>nd</sup> Tier**

Projects in Wards A, B, C, D & F, located in a redevelopment area or the UEZ, shall be eligible. Projects in Ward E shall be eligible if they provide one of the following:

- Affordable housing as part of the project or construction of affordable housing at another location within the Ward that the project is located in.
  - Educational facilities on ground floor of project. Requirements and qualifications for such facilities must be established. City may assist with financing such facilities.
  - Hiring of City residents for construction/permanent jobs and purchasing of equipment/materials for project from City vendors.
- Maximum PILOT Term is 10 years.
  - Annual service charge is 15% of annual gross revenues.
  - Administrative is 2% of annual service charge.
  - Financial Agreement required.
  - Requirement to comply with applicable City ordinances, including affordable housing and project labor agreements.
  - Any commercial project located in an eligible area under this tier shall rely on the requirements under the 6<sup>th</sup> Tier.

(The cost to "buy-up" from Tier 1 to Tier 2 and from Tier 2 to Tier 3 should be defined in the Mayor's Executive Order as a percentage of overall project cost).

## **3<sup>rd</sup> Tier**

Projects eligible under Tier 2, except for projects in designated waterfront zone in Ward E identified on targeted area map, shall be eligible if they provide the following:

- Affordable housing as part of the project or construction of affordable housing at another location with the Ward the project is located in.
  - Educational facilities on ground floor of project. City may assist with financing such facilities.
  - Hiring of City residents for construction/permanent jobs and purchasing of equipment/materials for project from City vendors.
- Maximum PILOT term is 20 years.
  - Annual service charge is 12.5% of annual gross revenues.
  - Administrative fee is 1% of annual service charge.
  - Financial Agreement required.
  - Requirement to comply with applicable City ordinances, including affordable housing and project labor agreements.
  - Any commercial project located in an eligible area under this tier shall rely on the requirements under the 6<sup>th</sup> Tier.

(The cost to "buy-up" from Tier 1 to Tier 2 and from Tier 2 to Tier 3 should be defined in the Mayor's Executive Order as a percentage of overall project cost).

#### 4<sup>th</sup> Tier

- Projects in Wards C & F, located in a redevelopment area or the UEZ, shall be eligible
- Maximum PILOT term is 30 years.
- Annual service charge is 10% of annual gross revenues.
- Administrative fee not to exceed .5% of annual service charge.
- Financial Agreement required.
- Requirement to comply with applicable City ordinances, including affordable housing and project labor agreements.
- Committee recommends use of redevelopment area bonds (RAB) as incentive for projects in this tier.
- Any commercial project located in an eligible area under this tier shall rely on the requirements under the 6<sup>th</sup> Tier.

#### 5<sup>th</sup> Tier

- Affordable Housing Projects throughout the entire City shall be eligible.
- Financial Agreement required (pursuant to the Long Term Tax Exemption Law or the HMFA Statute).
- Project Employment Agreement for hiring of City residents and using JC suppliers required. Project Labor Agreements and contributions to the City's affordable housing trust fund will not be required. Any affordable project that includes a commercial component, shall be eligible for a PILOT on the commercial component at 10% of annual gross revenues for the length of the PILOT on the affordable housing component, not to exceed 30 years.
- Administrative fee shall be .5% of annual service charge.
- Committee recommends use of redevelopment area bonds (RAB) as incentive for projects in this tier.
- Any commercial project located in an eligible area under this tier shall rely on the requirements under Tier 6.
- There are three categories of affordable housing projects: (1) low and moderate income housing projects, (2) mixed income projects and (3) project-based section 8 projects:

##### Low and Moderate Income Housing Projects

100% of the project for the term of the tax exemption must reserved for occupancy by households with gross household income not to exceed 80% of the area median household income for households of the same size within the housing region ("Affordable Units")

- Projects with 100% Affordable Units applying under the LT Exemption Statute or NJHMFA Statute will be treated the same:
  - Term is coterminous with the mortgage (or if no perm mortgage then term is 30 years)
  - Annual service charge shall be 6.28% of annual gross revenues
  - Administrative fee shall be .5% of annual service charge

### **Mixed-Income Projects**

Minimum 20% of the project for the term of the tax exemption shall include deed restricted Affordable Units

- Term is coterminous with mortgage (or if no perm mortgage then term is 30 years)
- Annual service charge shall be:
  - 6.28% of annual gross revenues for the Affordable Units
  - 10%-15% of annual gross revenue for the remaining residential units, depending on the neighborhood
- Administrative fee shall be .5% of annual service charge
- The number of Affordable Units must be certified to the City annually

### **Project-Based Section 8 Projects**

Projects owned by a private entity and subject to a Housing Assistance Payments Contract or similar State and/or federal rental subsidy for the term of the tax exemption.

- Term is coterminous with mortgage (or if no perm mortgage then term is 30 years)
- Annual service charge
  - 6.28% on non-HAP units
  - 10% on HAP units
- Administrative fee shall be .5% of annual service charge
- The number of Units with HAP must be certified to the City annually.

### **6th Tier**

Commercial (Office, hotel & retail) projects only, located in any redevelopment area or the UEZ shall be eligible.

- Goal is to encourage job creation with minimal service requirements from City.
- Maximum term is 30 years and minimum annual service charge 10% of annual gross revenues
- Suggested administrative fee shall be .5% of annual service charge.
- No pre-payment of annual service charges will be required.
- However, terms and conditions (length, annual service charge, and administrative fee) are at the sole discretion of the Mayor subject to approval of the City Council and such terms and conditions shall be based on the Long Term Tax Exemption Law or the City's Five Year Tax Exemption Ordinance.
- Requirement to comply with applicable City ordinances, including affordable housing and project labor agreements.
- Financial Agreement required.
- Committee recommends use of redevelopment area bonds (RAB) as incentive for projects in this tier.

### **Recommendations/Considerations on PILOTS for Further Discussion**

1. Further define the tiers or eligible areas by redevelopment areas, census tracts, etc. to more effectively target PILOTs through the establishment of priority growth zones for the City.



2. Segregate commercial (office, hotel & retail) and residential projects i.e., be more willing to offer greater PILOTs to commercial (office/industrial) projects due to the competitive nature of the metro area. Commercial projects generate jobs and require fewer services service and can have a multiplier effect on adjacent areas.
3. Consider how this new policy will be implemented. Is it by ordinance, Executive Order, Policy Statement or some other enactment?
4. Consider the process for submission of PILOT applications, review and recommendation to City Council.
5. Consider revising, superseding or rescind Executive Order 2010-001, dated March 31, 2010 by Mayor Healy.
6. Consider improving financial agreements for PILOTS by addressing the following:
  - a. Potential terms of Financial Agreements
    - Firm commencement and completion dates for project.
    - Minimum financial investment requirements by a date certain.
    - Agreement does not become effective until urban renewal entity has closed on financing for project.
    - Increased remedies for the City to enforce failure to comply with terms of financial agreement (including project labor agreement and affordable housing requirements).
    - If project has not commenced construction within 5 years of execution of financial agreement, agreement is terminated or terms of agreement are amended, as recommended below in b.
  - b. Potential Remedies for Enforcement of Financial Agreements
    - Default and termination of agreement
    - Liquidated damages
    - Payment of City's legal fees for default and termination
    - Reduction in term of PILOT
    - Increase % of annual gross revenue to 20%
    - Loss of redeveloper designation
7. Evaluate the pre-payment requirement of the first or early years of the PILOT to the City upon execution of the financial agreement as a loan and the implications on the City's budget in the future.
8. Leave the PLA requirement as is (based on current ordinance). Only applicable on tax abated projects exceeding \$25 million in value.
  - a. PLA should not be required for projects that are 100% affordable housing projects.
  - b. Offer alternatives to PLA such as in lieu of contribution to job training programs, etc., for tax abated projects under \$25 million in value.

9. The perception of PILOTs is that schools are shortchanged. The City should consider undertaking a study or analysis to address this claim. The City should also consider the following in connection with this perception:
  - a. Whether the City can provide additional funding to the school system from the City budget to make up for any potential loss of revenues.
  - b. Whether the City can fund programs to support schools or undertake improvements to school facilities (i.e. recreational).
10. Provide support to City officials to increase/improve enforcement of financial agreements to ensure the City is receiving all benefits of the PILOT agreement and to provide assistance to developers in the tax abatement process. Establish coordination between Mayor's office and City officials responsible for enforcement of financial agreements.
11. Increase enforcement of existing financial agreements, PLA and project employment agreements between the City and developers. Exercise all rights and remedies under financial agreements and provided by City ordinances and State laws.
  - a. See resolutions adopted in 2011 & 2012 by the City Council retaining accounting firm regarding enforcement and review of financial agreements.
  - b. The independent CPA review of financial agreements annually should be paid by redevelopers for the duration of the term of the agreement.
12. Review, evaluate, amend, expand or eliminate accordingly all City ordinances (under Chapter 304) and policies dealing with PILOTs:
  - a. Five Year Tax Exemption
  - b. Affordable Housing Trust Fund
    - i. How has this money been used?
    - ii. What is the balance in the fund?
  - c. PLA
  - d. Project Employment Agreements
13. Review, evaluate, propose amendments to the applicable State statutes for PILOTs; propose new laws to create "as of right" PILOTs; and lobby/seek support from State legislators regarding same.
  - a. Long Term Tax Exemption Law
  - b. 5-Year Tax Abatement and Exemption Law
  - c. Review NY City abatement laws/regulations/policies
14. Review all existing PILOTs and financial agreements to determine remaining terms, when they expire and implications on City budget and ordinary applicable real estate taxes.

15. Establish uniform tax assessment methodologies for determining the value of income producing properties to provide certainty and predictability in determining future tax implications. Publish such methodologies and provide assistance to developers in application of such methodologies. Of course, the tax rate and ratio would be subject to change annually in accordance with applicable law.
16. Identify properties that have development approvals, PILOTs, other entitlements for development that remain vacant and undeveloped to determine if they are being land banked and whether the tax assessment has taken into consideration these entitlements to ensure that City is realizing the true value of these properties.
17. Eligibility of certain properties in City for 5-year tax abatement and exemption is based on the entire City being an area in need of rehabilitation under the Local Redevelopment and Housing Law. While the designation was done by the City many years ago, the new administration should evaluate the continued validity of such designation and take any necessary steps to address any issues.
18. Create a database of City businesses and local developers to create greater community involvement of local and minority business, developers, and contractors.
19. Assess the viability of hiring back City employees responsible for PLA compliance.
20. Assess the viability of outsourcing PLA compliance, as well as minority and local hiring/procurement compliance.

**Office of Construction Code Official in the Department of Housing, Economic Development and Commerce (Permitting and Inspections).**

**Introduction**

The work of the Office of Construction Code Official involves the issuance of building permits and inspections for construction to ensure that such work is being performed in a manner consistent with the issued permits and applicable building codes and sub codes. Although the work of the Office does not generally involve the setting of policy but rather the implementation of identified safety and construction policies according to established regulatory standards, the timely and proper administration of the Office is critical to ensuring that construction projects proceed on schedule. If the permitting and inspection processes are not performed well, this can lead to construction delays and the following kinds of undesirable consequences: loss of job creation, loss of tax revenue derived from completed projects, building safety issues, loss of enhanced quality of life in neighborhoods due to uncompleted projects, and loss of the collateral benefits that flow from a completed construction project (e.g., increased commercial activity and permanent job creation to service the completed project); neighborhood quality of life enhancements.

**Discussion and Findings**

Our examination of these issues and the effectiveness of the Office was the subject of almost uniform criticism in our interviews with stakeholders involved in the process, from residential

homeowners and small business owners, builders, large and small, developers large and small, and a variety of public officers, employees, and decision and policy makers in the real estate development area who regularly interact with the Office.

Our interviews painted a disturbing portrait of a functioning—or rather dysfunctional—Office. It was described as being characterized by a “lack of leadership”, “antiquated”, “complacent”, “non-responsive”, “often arbitrary” and working in the “dark ages”, hobbled in its effectiveness by a lack of transparency of functions and standards and modern methods of government administration. Rather than promoting real estate development and the safe construction of the City, the Office is seen as a “barrier” to development, and delaying if not outright frustrating the attainment of the benefits of timely construction: tax revenue, temporary and permanent job creation, magnets to induce future development, and the creation of related commercial and residential development. In the close knit world of developers, we are advised Jersey City has unfortunately earned a reputation as a “difficult place to work and get the job done.” Many complaints centered on the Office’s leadership, describing it as an agency without a clear sense of how to effectively implement its mission. Many found it “opaque” and “rudderless” and “difficult to access.”

Building Permits. All categories of stakeholders related problems with filing for building permits, and there is broad dissatisfaction with the interaction between the Office and the people it serves. The Office does not accept electronic filings and only accepts cash or checks to process an application. It does not issue receipts for applications, and requires people to stand in line, even just to drop off an application. There is no mechanism to check on the status of a permit application, or easily address problems or gaps in an application without physically visiting the offices of the Office and speaking to a variety of staff, who often have segmented areas of expertise and responsibility or hiring a costly “expediter”. Many complained about the attitude of the clerks in the office, as unhelpful and rude. The entire range of stakeholders—from the small do it yourself home remodeler to the largest and most experienced of developers—complained about a lack of uniform, published procedural standards and the arbitrary application of substantive standards.

Building Inspections. There were problems identified in the field as well. The Office is generally viewed as understaffed, both in the administrative offices and in the field. But the fact is there are resources that can be devoted to this problem. Building and inspection fees in the millions of dollars are annually raised by the Office, but a majority of those fees are diverted to the City’s General Fund for other than Office uses. Many complaints were received about scheduled inspections being cancelled, causing severe delays in trying to reschedule them, at significant expense caused by wasted laborer time on the work site preparing for the inspections that are cancelled, and then preparing and being available for the rescheduled inspections. This lackadaisical approach is costly, not just in terms of the lost man hours and the expense of construction delays, but in terms of the delayed benefits to the City caused by the delayed completion of a building project. The Office according to many examples has failed to distinguish between large, complicated projects and small ones, giving all the same attention, rather than devoting resources to a project requiring and deserving of more individualized attention. Lastly, the office has not taken advantage of modern technology in performing its duties, and therefore customer service has been hampered.

Lack of Coordination. Many larger project developments raised issues concerning a lack of coordination among City agencies that have involvement in the City’s development process. Such coordination would avoid gaps in decision making, differing rulings and interpretations and costly delays. Currently the way the City approaches overall development is without a clear, coordinated, and

unified approach. These are four (4) primary offices/agencies with direct impacts on development in the City; housing, economic development, and commerce (HEDC), Jersey City Planning Department, Jersey City Redevelopment Authority (JCRA) and the Jersey City Housing Authority (JCHA). These agencies have largely operated independently from each other which results in a relatively weak overall vision of how to develop the City. It is highly recommended that the mayor's office convene at least monthly meetings with these agencies. This will allow the City to have everyone "rowing in the same direction"

### **Recommendations Regarding the Building Permitting and Licensing Process**

The good news is that the duties of the Office are largely "mechanical". The functions of the Office can be improved with leadership, commitment, additional resources and a change and implementation of new best practices. We recommend that consideration be given to the implementation of some or all of the following changes to the operation of the Office.

#### **1. Improve the Available Technology.**

- provide for online permit filing
- provide for an online means to check the status of any filing, and to interact with a permit reviewer
- create a website for the Office
- provide building inspectors in the field with iPads so they can review standards immediately, and transmit photos and other needed information to the Office for quick reviews, and for immediately scheduling

#### **2. Improve Employee Efficiencies.**

- hire more staff by recapturing and retaining more Office-generated revenue
- provide for larger, overlapping titles for employees so one employee can cover more areas of expertise; avoid needless delays due to the unavailability of a single employee dedicated to a single area of expertise
- have the head of the HEDC provide more hands-on, direct leadership and oversight of the Office of Construction Code Official on the Mayor's behalf

#### **3. Improve Office Efficiencies and Customer Relations.**

- evaluate similar office functions in other similarly situated municipalities; consider modeling the City's Office after other similar size cities who are best in class, like Sacramento
- study, evaluate and recommend appropriate times to complete assigned tasks
- train the front desk clerks in how to best interact with residents
- train employees in the goals of the office; the importance of their duties and in Customer Relations, standards and time frames for action
- provide a receipt for applications
- provide a copy machine in the Office for the use of applicants
- provide for payments by credit card, in person and online

- provide seminars to educate non-building professional residents in the administration, standards, fees, processing and need for adherence to the permitting and inspection process
- provide separate processing for residents, small builders and large scale builders and developers
- provide for self-certification to qualifying projects subject to proper qualifications
- deem permits approved at a date certain after filing of a completed application
- review and update an ethics policy for Office employees

4. Improve Service to Large-scale Builders and Developers.

- dedicate Office employees of sufficient rank and skill to each large project
- provide for self-certification and/or self and/or third-party inspections subject to proper qualification
- provide for permanent on site Office until the project is completed so it can ensure construction proceeds without delays

5. Better Coordination.

- consider the physical consolidation of all agencies involved in the development process in a single location (building permitting and licensing, historic review, community block grants, affordable housing)
- provide for better coordination by getting all key decision makers in the same room on a regular basis with a developer to review, address and make a decision with respect to any open permitting, licensing, inspection and related issues to avoid construction delays

6. Seek Stakeholder Input.

- create an advisory body of stakeholders to review and address the functioning of the office

C. **Business Climate, Other Incentives**

Although the shortness of the Transition exercise prevents a full examination of these issues, further study needs to be conducted of the integration of such issues as infrastructure and transportation availability, the after effects of Super-Storm Sandy, marketing, planning and zoning, economic grants and assistance of all kinds and the impact of the arts community, among other matters, as incentives for development.

The Mayor should take an active role in spearheading new development. Of equal importance, he should devote effort to retaining and expanding existing City commercial residents.

**Status of Ongoing Redevelopment Projects in Jersey City**

Please see Appendix B.

### **Summary and Additional Recommendations**

Reform of the City's Tax Abatement Policies is critical to the long-term health of the City's redevelopment efforts and the broadening throughout the City to all neighborhoods of the benefits of the PILOT programs. Technical and operational reforms are also essential if the Building Permitting and Inspection functions are to become a catalyst to redevelopment rather than a barrier.

Additionally, we recommend, based on our reviews, consideration of the following additional system wide reforms to address decision making with respect to promoting redevelopment:

Creation by the Mayor of a single point of contact (SPC) in the administration for all development proposals and development related issues. This SPC will then determine who in the administration such development proposals and development related issues should be directed to for action.

Creation of a Development Review Committee (DRC) that meets bi-weekly, consisting of representatives of the Mayor's Office, Business Administration, Department of Housing, Economic Development and Commerce (HEDC), City Engineer, City Planner, Jersey City Redevelopment Agency and any other City Officials as determined by the Mayor. The DRC shall review the status, as necessary, of all existing development projects, current proposals being considered by the City, as well as future development opportunities.

All City Agencies with responsibility for dealing with developers shall report instances of contact/communication with a developer to the Corporation Counsel to assist him in coordinating the Mayor's activities.

Creation of a project manager, most appropriate in HEDC but could be in the Mayor's office, for each ward in the City and such project manager shall be responsible for coordinating, expediting and being fully informed about any development project (current and proposed) in the relevant ward. Such project manager shall be given the authority to interface and direct, as appropriate all City departments to carry out actions critical to the implementation of development projects. Such project manager shall report directly to the Director of HEDC and the Mayor's office.

Institution of a "use it or lose it" policy when offering abatements. Many have complained that some projects with Redevelopment Agreements and Tax Abatements can sit idle for years. This can be avoided by instituting a policy which requires substantial development to take place within reasonable time frames (i.e. 5 years) or lose the benefits of a Redevelopment Agreement and Tax Abatement.

Respectfully submitted,

Committee on Real Estate/Redevelopment/Business Climate Outreach  
Steven M. Fulop Mayoral Transition

## **7. INDEPENDENT AUTHORITIES. (JOHN THIEROFF, CHAIRPERSON)**

### **Charge and Scope of Analysis**

"Review the functioning of the City's Independent Municipal Authorities. Examine, assess and evaluate the financial resources and obligations of the authorities; assess whether the authorities are operating in an efficient and effective manner; assess and make recommendations on ways to improve the delivery of services of the authorities; and assess whether it would promote the efficient and effective delivery of authority services to consolidate any or all of their functions, duties and responsibilities with the City proper. Such recommendations shall address ways to improve the authorities' financial operations to the benefit of the authorities and the City, and shall include an examination of whether the financial resources and obligations of the authorities should be merged in whole or in part with the City's financial system. The committee should make a similar assessment with respect to a merger of the authorities' operations into the City's operations."

### **Members of the Committee**

*Daniel Becht, Director of Jersey City Municipal Utilities Authority*

*Althea Bernheim, Community Activist*

*David Donnelly, Non-profit Executive; City Councilman, City of Jersey City*

*Edward Florio, Esq.*

*William Harla, Esq.*

*William Katchen, CPA*

*Ron Russell, Architect*

*John Seborowski, Retired Technology Executive, Community Activist*

## **AUTHORITIES**

### **A. JERSEY CITY REDEVELOPMENT AGENCY**

#### **History of the Agency**

The Jersey City Redevelopment Agency (JCRA) was created in 1949 as an autonomous agency of the City to serve as the City's primary vehicle to eliminate blight, to create opportunities and to attract residential, commercial and industrial real estate projects. The Agency's statutory authority was set forth in New Jersey Redevelopment Agencies Law (LRHL), P.L. 1992, C.79 (N.J.S.A.) 40.A:12A-1 et seq.) in 1992. The local redevelopment powers of the Agency are outlined in the 1992 statute.

The Agency's broad responsibilities include project facilitation, site assemblage and clearance, environmental remediation and developer selection within redevelopment areas. The JCRA is governed by seven (7) commissioners appointed by the Mayor with the advice and consent of the City Council. Two of the Commissioners also serve as City Councilpersons. The current commissioners are:

- Hon. Michael J. Sottolano, Chairman
- Piyush M. Amin, Vice Chairman
- Rafael Diaz, Commissioner
- Evelyn Farmer, Commissioner
- Hon. Rolando R. Lavarro, Jr., Commissioner



- John Spinello, Commissioner

Robert P. Antonicello, the Executive Director, directs a full time staff of eleven (11) and manages an annual budget of approximately \$1.45-1.5 million, which is funded primarily from administrative fees from developers and Community Development Block Grant administrative fees from the City .

### **Mission Statement**

JCRA believes that the strength and health of a great City is measured by the economic, housing and recreation opportunities that a City provides to its residents. The Board of Commissioners of the Agency and its staff are committed to partnering with the City of Jersey City in creating responsible and sustainable growth of Jersey City that elevates the quality of life in all neighborhoods of Jersey City. To accomplish this, the Agency is committed to providing the residents of Jersey City with the widest range of housing, economic and recreation opportunities which will rival any city in the country today. The City has 89 existing redevelopment areas located throughout the City, and the JCRA has coordinated and managed many projects in these redevelopment areas. See Appendix B. A self-assessment of the Authority's status and mission is attached as Appendix C.

### **Discussion of JCRA – Related Issues**

The Authority has been assisting in the commercial, housing and redevelopment of the City for over six decades. It has operated separate and apart from the Jersey City Housing Authority, and this has allowed each authority to maintain a focus on their core missions, commercial and economic development for the one agency and housing for the other, respectively, without merging or confusing those missions. We believe these separate structures are beneficial to the City and should be continued, with the caveat that the two agencies should coordinate their activities.

The Authority plays an important role in overseeing and cataloging development projects, providing necessary legal authority, financial assistance and development expertise to developers to assist in the fruition of their projects. It possesses a significant amount of institutional expertise regarding development policy and history in the City, as well a particular familiarity with each of the significant development projects now being pursued in the City. The existence of the Authority also benefits the City by using its sometimes broader legal authority to acquire and dispose of properties in a way to promote development that would be precluded if done by the City directly. In this way, the Authority fulfills its obligations to advance the overall interests of the City as its principal.

The Committee has reviewed the statutory functions of the agency, the functioning of the Authority, and interviewed a variety of stakeholders in the Jersey City development community, including public officials, regarding the work of the Authority. The Authority generally receives positive reviews for its willingness to act as a "cheerleader" for thoughtful, catalyst-type development throughout the City, not just to any particular area. It has also been complimented for its role as a clearinghouse and repository of development knowledge, history and expertise that is willingly imparted to the development community. The Committee believes the Authority's functions in these areas should be preserved, fostered and in fact shared by coordinating its knowledge and activities with the other City agencies that have responsibility with respect to real estate development and redevelopment in the City.

One persistent criticism among the stakeholders we spoke to involved a lack of firm direction and clearly stated policies guiding development in the City, aided and abetted by the very porous nature of the City structure overseeing, formulating and implementing development issues and policy in the City. While the dynamic nature of the process allows for multiple points of view and access to City decision makers, the contrary concern, and probably the majority view we encountered, is that this "open" system ultimately undermines the City's efforts to promote development throughout the City because it muddles any clear Administration direction on development by allowing the many City agencies to "go their own way", sometimes working at cross purposes and sending mixed messages to the development community.

Better coordination among the City's entities with a role in development is thus encouraged as is the development of a closely coordinated relationship between the JCRA and the City's Zoning and Planning Boards. In this regard, we also favor information sharing between the Authority and developers, flowing both ways. The Authority should hold information sessions with developers and other interested parties explaining the development process, available economic incentives, planning concerns, and other matters related to development. Conversely, the Authority should draw upon the substantial knowledge resources and expertise of many developers. To be successful, they have a wealth of information regarding economic assistance, financing and practical expertise related to development. The Authority should draw upon this knowledge. As another part of their information gathering process, the Authority should assess what Jersey City's competition is doing, specifically New York City, so the City can craft development strategies to compete effectively with New York City.

Another expressed concern of some stakeholders is that Redevelopment Agreements often do not contain sufficient benchmarks and safeguards to ensure that the promised development is realized, leading in some cases to land stockpiling and lack of development while the Designated Developer waits it out for more favorable economic conditions and a better, more lucrative return. Of course, market conditions do very much play a role in whether a project is built as proposed, or built with modifications, or not at all. Nonetheless, we believe this concern has merit and should be addressed by imposing conditions and defined benchmarks to mark progress under the agreements, which, if not achieved, could lead to revocation of the agreement or other penalties, monetary or otherwise. In order to ensure compliance with the Redevelopment Agreement, we also favor periodic audits of the agreements to measure compliance to be paid for by the Designated Developer.

### **Recommendations**

1. Improve coordination with City on all development projects which the JCRA is managing.
2. Provide for regular audits of Designated Redevelopment Agreements to ensure the Agreement conditions are being met.
3. Provide developer education seminars.
4. Share and exchange information with developers.
5. Create a plan to compete with New York City.

6. Create a Development Oversight Committee composed of the JCRA and other City development personnel to review significant projects; implement policies to promote development; to review specific projects with their developers and to assist in the development of such projects.
7. Create a Citizens Advisory Real Estate and Development Commission composed of key City officials and various stakeholders from the community (i.e. residents, citizens, builders, developers, labor planners, community activists) to provide input on development and the impact on the City's neighborhoods and economic development.
8. Create an outline database of all City/JCRA owned and leased properties and the status of each parcel.
9. Request details on the strategy and status for leasing the hub in Ward F as well as efforts to retain a bank to lease the space.

#### **B. JERSEY CITY MUNICIPAL UTILITIES AUTHORITY**

##### **History of the Agency**

The City of Jersey City currently owns a water system which provides water service within and outside the geographic boundaries of Jersey City. The JCMUA was created by City ordinance on December 10, 1997. Pursuant to the amended and Restated Water Services Franchise and Service Agreement between the City and JCMUA dated September 30, 2005. The JCMUA operates and maintains Jersey's water and sewerage systems. The contract with the City expires December 31, 2027.

##### **Mission Statement**

The Jersey City Municipal Utilities Authority (JCMUA) directs the operation of municipal supply and waste water disposal systems for the population (250,000+/-) of Jersey City. The municipal water system is managed, operated and maintained under a professional operations service agreement (contract) with United Water of New Jersey. The sewerage system collects wastewater and then pumps it to the Passaic Valley. Sewerage system management, administration, operation and maintenance are performed by JCMUA employees and contractors. Water and sewer services are billed on metered usage volumes.

Jersey City water originates from the Boonton Reservoir located in Parsippany-Troy Hills, Morris County. An average of 45 MGD is treated by the Water Treatment Plant next to the reservoir. The water treatment plant uses conventional treatment which includes flocculation, coagulation, sedimentation and filtration processes. Treated water flows by gravity down a 26 mile aqueduct from Boonton to Jersey City. The Water distribution system consists of approximately 300 miles of pipe and 5000 hydrants. There are about 36,000 metered connections in the City through which water is delivered to customers. The water system is operated by United Water, with whom the JCMUA has a 10 year operations contract.

Jersey City's mostly Combined Sewer System collects storm water via 5,000 catch basins and sewerage via 36,000 residential and commercial connections. JCMUA pumps nearly 50 million gallons of wastewater per day via 230 miles of piping 15 pumping stations, 28 regulators and 29 combined sewer overflow (CSO) points throughout the City. More than 72,000 c.f. of material is removed from catch

basins and nearly 63,000 c.f. of trash and grit is captured at netting and regulating facilities annually. Additionally 47 Separate Storm Sewer system (MS4's) outfalls are located around the district. All outfalls discharge either of the Penhorn Creek, the Hackensack River, Newark Bay or the Lower Hudson River.

Since July 2011, the JCMUA has been under EPA consent decree that requires spending \$60 million on sewer improvements from 2012 to 2017. When the 2014 sewer construction projects are completed, the EPA obligations will be substantially completed. Remaining EPA work included repair of damages discovered through Engineering System assessments.

The JCMUA identified about \$2.5 million of insurance claims at the East and Westside plants and Administration Buildings. The Insurance Company has paid 855,901 to date, and the MUA is pursuing the balance. Emergency and damage claims of \$6.6 million have been submitted to FEMA. FEMA has approved \$1,340,144, to date and the MUA will receive 75% of this. To date, \$298,748 has been received. Additional approvals are expected in the next 30 to 60 days.

JCMUA has also submitted \$60 million of mitigation improvement to FEMA. At this time it appears that the NJ Environmental Infrastructure Trust will be funding these improvements through low interest loans and principal forgiveness.

#### **Discussion of JCMUA – Related Issues**

The JCMUA has 111 employees. The Authority's realized \$94,795,922 from user charges \$2,165,706 from service agreements and \$4,203,215 from connection fees. As of December 31, 2012 the JCMUA had approximately \$44,100,000 in cash and cash equivalents in its operating, general and revenue funds. More particularly, at December 31, 2012 the Authority had \$329,963,847 in assets, and \$271,880,594 in liabilities resulting in a surplus balance of \$58,083,253. The surplus balance is made up of \$69,252,219, unrestricted surplus, \$250,000, restricted surplus and the balance being invested in note assets. Unrestricted net assets increased approximately \$8.1 million from 2011 to 2012. However, the appearance of a "surplus" balance must be weighed against future infrastructure needs in light of the EPA consent decree entered into by the JCMUA which requires expenditures of \$60 million in sewer improvements between 2012-2017. Additionally, the appearance of a surplus must also be tempered by a thorough investigation of infrastructure improvements that must be undertaken to address issues identified in the aftermath of Super Storm Sandy. Consideration should also be given to returning some of the surplus to the rate payers, funding capital reserves and retiring at call dates early years issued higher interest debt.

Note 8 in the 2012 JCMUA audit refers to calculations of the OPEB liability. This calculation represents the present value of actuary-calculated future Authority payments for retirees health benefits. The note states that the Authority provides retiree health benefits to employees who retire from the Authority through the PERS with either (1) a minimum of 25 years of continued Authority employments or (2) a minimum of 20 years of service and are at least 62 years of age. The net OPEB liability at December 31, 2012 was \$6,623,580.

In 2008, the JCMUA entered into a ten (10) year agreement with United Water to provide for the management and maintenance of Jersey City's water facilities and systems. These services include:

- Preventive and predictive operation and maintenance services of Jersey City's treatment plan and its transmission and distribution system
- Meter reading, billing and collections, and customer service
- New water meter and ancillary equipment installations
- Management of maintenance, repairs and capital improvements
- Watershed management; operation and management of Raw Water transmission and storage
- Providing operation and customer service reports to the JCMUA

United Water is required to submit on a monthly and annual basis operational and financial data as to its activities. The City should request that the JCMUA provide an audit regarding the quality of services provided under the United Water agreement. The JCMUA should also analyze the cost/benefit to renewing the agreement when it expires.

#### **Recommendations**

1. The Authority in 2004 performed a connection fee calculation. The calculation generated \$4,203,215 in revenue in 2012. If the calculation had been performed annually the result may have been increased revenue to the Authority.
2. The Authority pays retiree health benefits where an employee is 62 years of age, retires and has completed 20 years of service. This policy can result in increased long term health benefit costs to the Authority and should be reconsidered.
3. The Authority has an open consent decree with the USEPA to perform sewer improvements amounting to approximately \$60 million over a 6 year period. A report identifying all proposed improvements, their costs including estimated future debt service obligation should be completed.

#### **C. JERSEY CITY HOUSING AUTHORITY TRANSITION REPORT**

##### **Mission Statement**

The Mission of the Jersey City Housing Authority is to engage in development, acquisition and administrative activities of the low-income housing and rental assistance programs and other programs with similar objectives for low and moderate income families residing in the City of Jersey City. The Authority is governed by a 7-member Board responsible to the US Department of HUD (HUD), the NJ Department of Community Affairs, Bureau of Authorities and the Mayor and Council of Jersey City. The principal staff person is the Executive Director appointed by the Board of Commissioners. The Authority's principal source of funding is provided by HUD, through the low income housing and housing choice voucher programs. The Authority owns in excess of 2,000 public housing units and administers over 3000 housing choice voucher units.

The JCHA currently employs 160 people down from a one-time high of 425. A review of their organizational staff reflects a clear and appropriate chain of command. There are currently a few

vacancies. Its executive director, Maria Maio, has been at the agency at least 20 years. The agency employs an in-house counsel, but does have contracts totaling approximately \$180,000 with outside counsel. Additionally the agency has an in-house grants writer. The employees are represented by two unions, IWSWA - blue collar and HAS – supervisors, both of which contracts expire March 2014. Including Public Housing Units, Hope 6 and Section 8, there are approximately 7,000 total housing units in Jersey City. The JCHA serves a residential population of approximately 17,000 city residents. Due to the federal sequestration the agency has and will continue to experience work furloughs. The executive director explained that education is a key component to their mission and has requested the city's assistance securing substantial federal grants.

### **Discussion of JCHA – Related Issues**

#### **Financial Analysis**

The JCHA had an operating budget of \$63.4 million in 2012 (of which the City contributed \$37,000) and \$63.5 million in 2011. The proposed five-year capital budget is \$106.6 million.

The current financial position of the JCHA appears challenging and is difficult to predict since it is almost completely dependent upon HUD. About \$51 million or 80% of the 2012 budget was funded by HUD with the balance coming from rents and fees. With Federal budget deficits growing, continued HUD funding at this level may be an issue. An indication of tightening Federal finances is that HUD has implemented a seven-day furlough program in 2013, which the JCHA adhered to.

Besides these potential funding reductions, the resources of the Authority are declining and there were operation losses for the past two years. As of 3/31/13 cash balances were \$5.1 million down from \$7.2 million as of 3/31/12. Operating results (change in net assets), which include non-cash items have been negative (losses) for 2012 and 2011, \$6.1 million and \$2.2 million respectively. Additionally, the JCHA has included in its public furlough announcement that the JCHA has a "serious budget deficit."

JCHA expenditures appear to be within HUD guidelines. In particular, the Housing Assistance Payments of \$34 million account for 53.7% of the budget and have previously been fully funded by HUD (see attached budget summary). Reduction in HUD funds may require changes to this service. Variable costs of maintenance, administration and utilities accounted for \$27.2 million or 43% of the budget. How much of these costs could be reduced without hurting or reducing services is questionable. On a positive note, loans payable are \$12 million and annual debt service of principal and interest is \$1 million annually, of which \$777,000 is currently subsidized by HUD.

Funding sources for the \$106.6 million five-year capital improvement budget have not been identified. The urgency of these projects is unknown, but given the current financial position of the JCHA, the only reasonable way to fund these projects would be through Federal grants.

The Authority is currently operating at a loss, and if HUD grants are reduced, there are little reserves to support the Authority. The JCHA may have to look for other funding (i.e. City subsidies to maintain existing operations).

### Key Project/Initiative

Jersey City's Montgomery Street corridor runs west to east down Palisades, connecting the McGinley Square neighborhood at the top of the hill with neighborhoods closer to the waterfront at the bottom. The space between the two neighborhoods is bordered to the east by Route 78/New Jersey Turnpike overpass and contains large, poorly connected blocks that include Montgomery Gardens, the last family high-rise public-housing site in the City. As with many urban areas, the Montgomery corridor neighborhood has seen the effects of a generation of disinvestment: high vacancy rates, high unemployment, high poverty, high crime. The Montgomery Corridor Choice Neighborhoods Plan is an ambitious effort to re-imagine the area by integrating all the hallmarks of a thriving neighborhood: good transportation, high-quality housing, and access to education, employment opportunities, healthcare and amenities.

The plan is built on a comprehensive neighborhood plan done in 2004, and the process began in earnest in 2011 with the receipt of a federal Choice Neighborhoods planning grant. The new plan calls for 887 units of housing – both market and affordable, both townhouses and high-rise condominium building – resulting in a 20% increase in average household income in the neighborhood; a new supermarket; a charter school with a pre-kindergarten center; a health center; the replacement of an out-of-scale superblock with walkable streets, community spaces, parks and new connections to Montgomery Gardens will be replaced, with priority given to re-housing relocated public-housing residents.

The project is a large, innovative public private partnership costing approximately \$330 million. To move forward, the JCHA requires the mayors endorsement of the plan and several affirmative steps including a financial commitment equally \$750,000 per year in CDBE awards over 5 years or 7.5% of the City's annual CDBE allocation whichever is greater. The total financial support is estimated at approximately \$3,750,000. This commitment is conditioned on the JCHA receives a 2013 choice neighborhood implementation grant (estimated to be \$30,000,000). This application is due in September 2013 and requires the immediate attention of the mayor's office.

We understand that the JCHA has awarded a contract for Michaels Development to partner with the JCHA in completing this project. We have been told that the Redevelopment Agreement with Michaels is currently being negotiated. Components of the project include 880 housing units, supermarket, health center and pre-kindergarten and a charter school.

The agency has been resourceful and has shown fiscal restraint managing its vast real estate portfolio with declining federal aid and negligible city aid. It appears that Director Maio runs a tight ship. She is extremely impassioned about her agency and has excellent state and federal housing relationships.

### Recommendations

1. Evaluate debt o\s for refinancing opportunities at a lower rate, specifically 254 Bergen Avenue.
2. The Authority is a member of the NJ State Health Benefits Program which is a pay as you go system. Evaluate changes to personnel policies eliminating Authority paid health insurance coverage at retirement for new employees hired after a certain date.

3. At March 31, 2012 the Authority public housing programs and central office management center were both in a deficit financial position. The Authority needs to take steps to eliminate these deficits in order that in the long run the management of these programs is not affected.
4. The Authority has assisted in the development of a number of nonpublic housing projects through the issuance of various notes receivable. Some of the projects may be reaching the end of their 15 year compliance period. The Authority should consider reviewing the provisions of the formation documents to determine what actions are necessary and to the benefit of the Authority at that point.
5. When the Authority participates in future non-public housing development, consideration should be given to a) being a co-developer and 2) providing management and maintenance support to the complex. This could assist the central office management center in generating additional revenue.

**D. JERSEY CITY FREE PUBLIC LIBRARY**

**History of the Agency**

Library is governed by a board of 11 members, but is assisted in fund raising through the Jersey City Free Public Library's Foundation governed by a 13 member board of trustees. The Library has 10 branches and a book mobile, occupying 7 facilities in buildings or spaces owned by the City of Jersey City and 3 branch libraries housed in rental facilities.

The library offers a host of programs such as the Summer Reading, Miller Branch Adults/Young Adults, Bob Leach's Historical Project, Video purchasing, and CAS (Community Awareness Series). The CAS, which presents music, concerts, especially jazz and gospel, to the public; hosts in-person forums on current events; and offers music lessons for children, young adults and adults, has come under pressure due to budget constraints.

The Library provides a virtual career that links to online resources for job seekers and has a digital library, which allows 24/7 access to the digital library by desktop or mobile device.

**Mission Statement**

The Library has done an aggressive job with limited funding to adapt to the needs of the community. Upon review of their statistics and web site, as well as some staff consultation, the library is doing well for its \$33/resident budget. Its biggest hurdle is capital improvements on ageing buildings (several over 95 years old) and keeping up with user technologies.

The Library provides many community services including computer training, programs for toddlers and preschoolers up to teen, cultural events, and literacy courses. The Library provides all of this in a safe and comfortable environment and doubles as a cooling center on the hottest days.

To provide the Jersey City community with access to diversified printed, audiovisual, and electronic resources for the purpose of addressing the community's educational goals; providing answers to questions on a broad array of subjects; serving as a cultural center; satisfying interests and



needs for current popular materials and topics; and helping all individuals and groups in the community through a courteous, well-trained staff in a user-friendly environment.

#### Critical Needs/Top Issues

Capital projects, repairs, & upgrades remain the top and most costly issue for the library system. Two and a half years into their five year capital improvements plan, they have yet to complete needed repairs from the first year (2011), some of which have been deferred to this year. Due to the age of some of the buildings, both repairs and becoming ADA complaint remains a challenge. To complete all the needed repairs and hurdles presents a steep financial hurdle of at least 13 million additional dollars. It is believed that a great deal of money is wasted in utilities through these aging structures as well.

Technology plays a large role in the modern library. The library has made progress with providing wireless access at 6 of its 10 branches and updating its web site. However, the computers and servers are in need of upgrading and the library could benefit from many recent technological innovations that would make the user experience more diverse and the operational tasks of the staff more efficient.

Space: As the need for more computer access and centers grows, the space for both computers and expanding print collections shrinks. Bookstores are closing down throughout the country. With this trend comes a shift back to the library, which now offers print books and ebooks at no cost.

The Library currently consists of 138 employees – 98 full time staff (59 local union 2265 and 17 local union 3612) plus 22 administrative staff members. 40 employees are part time.

#### Budget

The total budget for 2013 is \$8,679,601.38 with a request of \$8,400,000.00 from the City. A combination of state aid, CDBG funds, and fund raising through the Library Foundation make up the difference. They are also expecting \$1.4 million from FEMA for a Sandy recovery project for damages sustained to the Main Library in downtown.

#### Staff Budget

Salaries amount to \$4,620,601.38. When adding in mandatory benefits the total for staffing comes to \$6,546,301.38.

The top executive is Priscilla Gardner, Library Director, who has an administrative department. Below the director are the Assistant Director and the Chief Librarian.

The Agency's primary funding source is the City of Jersey City which makes up 95% or more of its operating budget. The agency has no debt.

#### Recommendations

1. While the library currently serves as a community resource, more can be done by including outside the box ideas such as creating collaborative community projects within our library

system. It is not enough to just add technology to our libraries; we need to have the ideas of technology start to bud in our library system while surrounded by the right resources.

2. Upgraded hardware and wireless connection should be available throughout the library system as the need to access the internet becomes more important to those without internet access or hardware at home.
3. There are a number of ideas that the Library can choose to implement by using their resources and locations by doubling as workforce centers for job seekers and small businesses. The library already has a virtual center, but the City can move forward partnering and utilizing the space for one on one or group information sessions throughout the City.
4. Have the IT's transition team review the current network structure, software, and hardware and make recommendations that will better fit the needs of the Library.
5. Expand computer training courses for the public throughout the branches; perhaps even combining community and city staff computer training.
6. Actively search to expand locations to a storefront in Ward D and a business library in either downtown or in JSQ.
7. More aggressively seek outside funding to sustain and improve library services through grants and private donations.

**E. JERSEY CITY INCINERATOR AUTHORITY/AUTONOMOUS AGENCY REVIEW**

**History of the Agency**

The Jersey City Incinerator Authority was incorporated in 1951 to dispose of Jersey City's waste. Since then, the scope of services offered by the JCIA has expanded considerably. The JCIA now performs a variety of environmental and public works type services such as property maintenance, street sweeping, graffiti removal, snow removal, container/dumpster rental, building demolition and environmental compliance and enforcement.

It should be noted that the Authority has not incinerated trash since 1974. Instead, the JCIA, through a contract with Waste Management, manages the pickup of curbside trash and, through a contract with Galaxy Recycling, manages the state mandated municipal recycling collection program.

**Mission Statement**

In order to accomplish the solid waste collection efforts the Authority in 2004 entered into a 5 year contract with Waste Management, Inc. Waste Management collects and disposes of all the solid waste in the City. The contract expired in 2009 and the Authority has operated under the prior contract since. The Authority is seeking to enter a new contract for solid waste disposal for an as yet undetermined period of time. The Authority would like the JCIA to take over trash collection and has delayed deciding the length of a new contract while it seeks approval to bring this function in-house.

In 1995 the Authority took over the car pound operations. The car pound was responsible for the towing, impounding and auction of all police ticketed vehicles in the City. This past year the towing operations and car impounding have been privatized. The only remaining cars in the pound are being held as evidence in police investigations. The JCIA maintains staffing at the pound, despite the very limited and non-urgent activity conducted there.

#### **Discussion of JCIA – Related Issues**

Adherence to the annual budget has been lacking. Due to fiscal constraints at the city in recent years, the Authority has been asked to reduce its budget and has consistently outspent the budget leading to a several million dollar deficit. Because of this deficit, the state has directed the City to make special payments totaling \$6.8 million over a three-year period ending in 2014.

(The 2012 audit is not yet complete and management was unable to provide preliminary details from the audit. The 2012 audit is expected to be completed imminently.) Also, a question has arisen about bonuses being given out from FEMA money from dedicated for Hurricane Sandy cleanup.

Presently, the JCIA is located on Route 440 on the West side of Jersey City. The Authority is expected to move to a new building currently being constructed on Linden Avenue and will share the facility with the Department of Public Works.

Presently, the JCIA contracts with Waste Management Services for residential solid waste removal. This contract is in negotiations and has been expired since 2009.

The JCIA contracts with Galaxy Recycling for curbside pickup of residential recycling. This contract expires at year-end 2013.

As of December 31, 2011, the JCIA has no bonded debt.

#### **Recommendations**

1. As the number of functions the JCIA performs has grown, so too has the amount of overlap it has with the DPW. Although efficiency studies have been done in the past to determine potential savings that could be realized by consolidating the two entities, several years have passed since the last one was performed. A new study should be conducted to determine the optimal structure for these two entities.
2. Regardless of whether the Authority and the DPW merge, consideration should be given to determine where duplication exists and how to eliminate it. Both units perform snow removal. Both units have vehicle fleets that they maintain. Where duplication exists, the administration should determine which unit is the better fit and endeavor to consolidate those operations within the chosen provider.
3. The Authority has 162 employees and yet two of its most significant responsibilities are outsourced. Additionally, the Authority has what appears to be a large number of people in management and/or professional positions. A desk audit of responsibilities should be conducted to determine how many and which positions are needed.

4. The city should explore establishing a shared services program for its solid waste collection. Considerable savings are possible due to economies of scale that could be achieved by spreading the contract over a larger pool of customers.

#### **F. JERSEY CITY PARKING AUTHORITY**

##### **History of the Agency**

The Authority is responsible for the provision of safe and available parking facilities, the enforcement of the rules governing parking in Jersey City, and the enforcement through the collection of penalties and other measures of such parking rules.

The Authority has an annual budget in excess of \$7 million which is derived principally from parking meter fees, paid parking fees, reserved parking and fines. It also rents space in its office building at 394 Central Avenue to the U.S. Postal Service. The building itself is underutilized and is a financial drain on the Authority and the City.

The Authority is administered by a board and an executive director. Money collected in excess of the Authority's budget and costs devoted to parking ticket collection retained by the municipal court are devoted to General Fund purposes. The Authority employs 88 employees as follows: 16 in administration; 54 in enforcement and 18 in operations. The Authority has about \$6.6 million in debt; \$5.9 million bonds and the remainder representing accrued sick and vacation time. The Authority is carrying some \$20 million of uncollected fines on its books.

##### **Current Mission**

The Authority does not own or operate any parking structures. It operates about 14 surface lots throughout the City. It operates the paid parking meters located on the City's streets. It employs certain outside professionals, including tow operators to remove cars from City streets that are parked illegally.

##### **Discussion of the JCPA – Related Issues**

Availability of Parking. One of the significant issues confronting Jersey City is the lack of adequate parking facilities in the City, especially in residential neighborhoods. This is vital to the quality of life in the City.

Procurement Policy. The Authority has not gone thru a public procurement for towing services since 2009. It is unclear if the Authority is utilizing a non-discriminatory, open to all list, or utilizing the services of only selected tow operators.

Employment Litigations. The Authority is a party to a number of such litigations, but it does not appear to have any structured employee evaluation system in place.

Parking Meter Technology. With the exception of a failed effort to utilize a Multi-Space Pay Station and a limited, pilot program to test credit card technology to pay for parking meter usage, the Authority has been slow to embrace new and likely revenue-enhancing parking technology. The Authority does not use, nor has it even tested pre-paid smart cards widely used in other cities.

### **Recommendations**

1. The Authority should be more aggressive in exploring how to alleviate the parking shortage in various parts of the City. The Authority should assess where more parking is needed. The Authority should also explore the potential of public-private partnerships to create more parking in the City, especially in the City's residential neighborhoods.
2. The Authority should explore the most up-to-date technology for allowing patrons to pay their parking fees as a means of promoting consumer convenience and increasing parking revenue.
3. The Authority should explore the means to get the full value of its building by renting its unoccupied space or letting it be utilized for other City purposes.
4. The Authority, in conjunction with the Municipal Court and the Municipal Prosecutor, should develop a plan to collect the \$20 million in uncollected parking penalties and impose a meaningful and certain enforcement mechanism. The Parking Authority should also be encouraged to evaluate the viability of selling such debt.
5. The Authority should institute regular annual employee evaluations, as well as seminars regarding employee conduct to educate employees to ensure high workplace standards and to avoid expensive employment litigation.
6. The Authority should review its public procurement policies to ensure compliance with governing law.
7. The Authority should review its sick and vacation time and carry forward policies.

### **G. JERSEY CITY ECONOMIC DEVELOPMENT CORPORATION (JCEDC)**

#### **History of the Agency**

The JCEDC was incorporated in 1980 as a private 501 (c) (3) non-profit corporation. Its mission has been to "promote, encourage, and assist the industrial, commercial, and economic development of Jersey City creating greater employment opportunities and broadening the base of the tax structure."

#### **Mission Statement**

JCEDC has been responsible for operation of Urban Enterprise Zones (UEZ); Special Development Districts (SID); and assisting with small business financing.

#### **Discussion of the JCEDC – Related Issues**

Presently, there is no executive director of this organization. The leadership function is being performed by the Chief Financial Officer (CFO) Clifford Adams. He has served as CFO since 2002 and possesses thorough knowledge of all functions of this entity, and its personnel. There are six (6) employees of the JCEDC, none of whom are under contract or with civil service classification. Each of these employees serve "at will".

The committee examined the financial statements of 2011 and 2012 and the JCEDC audit report of 2010 produced by Carr, Daley, Sullivan & Weir, P.C., Certified Public Accountants, dated April 14, 2011. Payroll in 2012 was about \$390,000.

The office of the JCEDC is located at 601 Pavonia Avenue, Jersey City. The lease for this location is expiring. CFO Adams is currently attempting to negotiate a lease for new office space at an as yet undetermined location. CFO Clifford Adams has been serving as Executive Officer since the resignation of Executive Director Steven Lipski.

Jersey City Economic Development Corporation Officers/Board of Trustees

Mayor Jeremiah Healy	Term of Office
Council President Peter Brennan	Term of Office
Rosemary McFadden (Chair)	Mayoral Appointment term ends 12/14/13
John Horowitz	Mayoral Appointment term ends 12/14/14
Alberto Anton (Treasure)	Mayoral Appointment term ends 12/14/13
Vijay Gupta (Secretary)	JCEDC Appointment term ends 12/1/16
Nicholas Cavaluzzi (Asst. Secretary)	JCEDC Appointment term ends 12/14/15
Vacant	JCEDC Appointment term ends 12/14/14
Joan Introcaso	Chamber Appointment term ends 12/14/15
Vacant	Chamber Appointment term ends 12/14/13
James J. Miller (holdover)	Chamber Appointment term ended 12/14/12

Key Contracts

Richard N. Campisano, Corporation Counsel on month to month contract, \$3,125.00 per month.

Roger Jones and Associates, Public Relations, \$6,250.00 per month.

Spire Group, CPA's and Consultants Audit Service as of June 30, 2012.

Recommendations

1. The JCEDC is a potentially important partner in the revitalization of the business and commercial community of Jersey City. It is a small agency, with only six (6) employees. A more thorough analysis of the agency's employees and their functions should be performed to determine job performance and necessity of position. This entity may be underutilized in its current composition. The study should identify areas of overlap with City agencies to identify redundancies for elimination and/or consolidation. The study should consider whether the consolidation of non-redundant functions can be performed by other entities or within the EDC.
2. Nonetheless, we believe the JCEDC has vast potential; however it has not been challenged to meet its full potential. With the right focus and sense of cause, the EDC can be a useful tool in providing for economic development within the City capitalizing on Jersey City's strategic location.

3. We also believe that with the right leadership, the EDC can assume the primary role of promoting the City's Cultural offerings and Tourism in general. Therefore we recommend that the City consider assigning these tasks to the new JCEDC and refer to it as the Economic Development, Cultural Affairs and Tourism Corporation (EDCAT).
4. Given its severely constrained funding resulting from the curtailment of UEZ funding, we do not believe that the JCEDC can afford its current monthly public relations contract and that it should instead procure a firm with experience in branding and tourism.
5. Exploration of collaborative efforts between the EDC and the Work Force Development and Reentry initiatives discussed elsewhere in this report. The City should consider evaluating the feasibility of charging a new EDCAT with implementing such initiatives as well.

**8. CULTURAL DEVELOPMENT AND TOURISM. (ELIZABETH CAIN, CHAIRPERSON)**

**Charge and Scope of Analysis**

"This committee will provide an overall assessment of the City's economic, tourism, recreational and cultural promotional efforts. The committee should make recommendations as to how the City can better market its attractions (restaurants, recreation, and cultural diversity) for tourism and economic development. More particularly, the committee should evaluate how the City can promote tourism and economic development with respect to the upcoming Barclay's PGA golf tournament, the 2014 Super Bowl and the proposed Formula One racing event. The committee shall evaluate the state of the Loews Theatre and recommendations for its revival."

**Overview**

Jersey City is a unique city, with a wealth of untapped opportunity. The City offers diversity, culture, talent, creativity, commerce, business, history and green space, and reflects the flavor and work ethic of years past when it was the Gateway to the Americas. Culture and tourism are alive and well in Jersey City, mostly due to the grassroots efforts of artists, organizations, business development and accessibility. It is commonly known that culture, the arts, business and tourism drive the economy of a city, and it is necessary to tap into this, expand it and communicate it to the residents, visitors and people who work here.

Currently responsible for cultural development and tourism are two existing departments (the Division of Cultural Affairs (under Health & Human Services) and Destination Jersey City (under the JCEDC)) and two Commissions (the Cultural Arts Commission and the Tourist Development Commission). These efforts should be merged in one place to create a consistent approach and message when it comes to culture and tourism in Jersey City.

**A. Division of Cultural Affairs**

The Division is responsible for the support, development and administration of all fine, creative & performing art programming and facilities, as well as administration of public cultural events. The City's Code states as follows regarding the Division:

***3-104. Division of Cultural Affairs.***

*Creation of Division of Cultural Affairs; Director of the Division of Cultural Affairs in charge. Under the direction of the Director of the Department of Health and Human Services, the Division of Cultural Affairs shall:*

- 1. Be responsible for all fine, creative and performing arts programs from concept, planning, development and implementation to the development and provision of related and appropriated facilities;*
- 2. Administer the City Spirit Program and be responsible for such events as the City Spirit Festival, cultural and heritage events, art shows, street fairs, outdoor concert series, holiday festivals and all other public cultural programs.*



The division is staffed with eight (8) employees and also uses seasonal employees during the summer/fall months. It has a budget of \$700,000, of which \$520,000 is for salary and wages, while \$180,000 is for operations.

Current programming by the Division of Cultural Affairs:

- Art Exhibitions in City Hall
- Summer Dance Fest (J.Owen Grundy Pier)
- Jazz @ J. Owen Grundy Pier
- Summerfest – Free concerts at Liberty State Park
- Concerts at MLK Hub
- Artist Studio Tour

Programming supported by the Division, but produced by others:

- Tapestry of Nations Ethnic Festivals
- Parades
- Festivals
- Flag Raisings
- The Big Dig
- JC Fridays
- Grove Art Market

A common complaint from community members concerning this division is that it lacks connectivity with the entire art community and the constituency as a whole. Dealing with the permitting process for special events is cumbersome, confusing and time consuming. There is a lack of creativity and marketing for city sponsored events.

#### **B. Tourism – Destination Jersey City**

This endeavor has one employee, a Tourism Coordinator and a budget of \$250,000. The budget is based upon mostly state monies received from UEZ funding and grants. It is unclear if this funding will continue. Destination Jersey City falls under the responsibility of the JCEDC, which is funded primarily by UEZ dollars. They are charged with the responsibility of attracting, creating, marketing and reporting on tourism in the City.

#### **Critical Needs**

Encouraging tourism in Jersey City appears to be an oversight. Though funded, the attention paid to tourism is minimal. Initiatives brought forward have little follow through – mostly from lack of attention, staffing and funds. It is also unclear how visitors to Jersey City can use the services of Destination Jersey City when its office is not readily accessible to the public at street level.

#### **Recommendations**

1. The new administration should consider forming an advisory task force/council made up of business leaders, economic development experts, and city officials to:

- Development of a 3-5 year master plan for Jersey City Cultural Development & Tourism, including metrics to measure success
  - Assess programs the city has historically supported to boost tourism to determine what has worked, what can be discontinued, and to identify new opportunities
  - Review city ordinances affecting culture and tourism to determine if there are opportunities to eliminate burdensome regulations
  - Review opportunities for state and federal grants
2. The city must develop an understanding of how municipal and private sector resources can best support growth of the tourism industry and cultural initiatives, including the creation of jobs in these sectors. This can be accomplished through holding a summit and/or focus groups with the following individuals and entities:
- Leaders from tourism industry and also key institutions
  - Small and medium size business owners
  - Public sector
  - Cultural organizations
  - Business associations & SIDs
  - Developers

The goal of these endeavors should be to determine:

- What are the venues and assets are in the community and how can these be better promoted today
  - Where the gaps?
  - What are the opportunities?
3. Tourism is an integral part of the economy of any major city. In addition to merging the various culture and tourism endeavors noted above “under one roof,” a rebranding of these efforts is necessary. VISIT JC is an easy, familiar brand, easily spelled and understood. A logo should be developed and there should be a website overhaul, consistent social media campaigns and related print collateral materials such as targeted maps and visitor packages with a consistent message and coordination with area hotels and destinations. The City should consider holding contests concerning the branding and logo for the City.
4. Develop a database of venues, vendors, artists, cultural organizations, and social media channels for the promotion of tourism and culture in Jersey City. This database can then be integrated into social media platforms for distribution over various channels, such as websites, event landing pages, Facebook, Twitter, and a tourism hotline to provide information to visitors about upcoming large-scale events (such as Barclay’s or the Superbowl), as well opportunities for other local activities not directly related to large-scale events.
5. The City should collaborate with event promoters to ensure that information about Jersey City is available and distributed to visitors.

6. A centralized calendar of permitting for cultural events should be created and regularly maintained to provide current, up to date information concerning places to hear music, see dance or other theatrical entertainment, as well as provide information concerning special events, such as parades, festivals, or events like the Barclay's tournament or Super bowl.
7. The City should develop programming/partnerships to engage artists and elevate the image of Jersey City through endeavors such as mural programs, sculpture parks, community gardens, other design elements such as bike racks, newspaper/magazine rack installations.
8. The Destination Jersey City sign program was implemented, but was outdated soon after installation. This signage program should be revisited and destinations added or updated as necessary.
9. Visitor information should be located in obvious areas, such as a storefront near a transit hub or through the creation of kiosks or other satellite locations to supply information to visitors.
10. The gateways into the City should be litter-free and landscaped to present a better image. Additionally, the City's image – through its licensed taxis – can be improved through the maintenance and appearance of the taxis, drivers and taxi stands.
11. The City should undertake efforts to become more pedestrian-friendly to tourists. Additionally the City should explore the feasibility of using pedi-cabs, initially as an experiment, between existing hotels and area restaurants and other destinations.
12. The City should consider the reactivation of its Cultural Arts Commission.

9. **LEGAL REVIEW. (JEREMY FARRELL, CHAIRPERSON)**

**Charge and Scope of Analysis**

"This committee, in coordination with the Departmental Operations Review Team, will undertake a review of all pending and prospective legal claims against the City, including such areas as collective bargaining, and tax appeals and tax revaluation. The committee should assess, evaluate and make recommendations with respect to the administration of the Office of Corporation Counsel, the circumstances and terms of employment of outside counsel, the administration of the City's self insurance programs, and the interaction and operation of the City with its insurance carriers and insurance counsel. The committee should identify any legal matters requiring immediate attention or decision making. The committee, in conjunction with the Department Operations and Review Committee, should also examine and assess how the Office of Corporation Counsel interacts with the other municipal departments, agencies, boards and authorities."

**Legal Review Summary**

Due to the confidential nature of pending and anticipated litigation and matters falling within attorney client privilege as well as to protect the position of the City in such matters, this report will discuss the process of review undertaken by the committee, but will not publicly provide details concerning pending and anticipated litigation or matters falling within attorney client privilege.

**Members of the Committee**

Jeremy Farrell, Esq., Chair  
Bernard Kenny, Esq.  
Ralph Lamparello, Esq.  
Ramy Eid, Esq.

The members of the committee have participated in this review with the highest ethical principals in mind, which include the fact that no member of the committee shall use the information received or gathered on a confidential basis in the course of this review in any present or future representation.

**Process**

The members of the committee divided themselves into smaller groups to obtain information from the Office of Corporation Counsel. Within these smaller groups, they met with members of the Office of Corporation Counsel and staff. Staff was able to provide the members of the committee with information based upon legal research conducted within the Office of Corporation Counsel or otherwise available through publicly available sources. Once each sub-group received information within its particular area of inquiry, the information was shared with the committee as a whole in order to formulate recommendations for Mayor-Elect Fulop's consideration. A list of recommendations that do not jeopardize pending and anticipated litigation or matters falling within attorney client privilege are provided as follows:

**Recommendations:**

1. The Office of Corporation Counsel should develop comprehensive case management plans that incorporate technology and redundancy to ensure that more than one attorney has knowledge of a particular matter to ensure that the City's interests are protected if an attorney is unexpectedly unable to continue to handle a case or matter.
2. The Office of Corporation Counsel should purchase and integrate into its operations document management software.
3. The Office of Corporation Counsel should staff cases and matters based on expertise and experience, i.e. consistently utilizing attorneys with developed expertise on the same kinds of matters.
4. The Office of Corporation Counsel should develop a program to recruit and retain attorneys with various levels of expertise that are commensurate with the variety of matters handled by the Office of Corporation Counsel, and include within such program the ability for more experienced attorney to mentor less experienced attorneys into greater roles and responsibilities within the office.
5. The City should explore whether additional evening hours would benefit the operations of the Municipal Court and its customers.
6. The City should evaluate the security plan for the Municipal Court to ensure that appropriate security exists within each court room.
7. The City should explore whether additional municipal court judges are needed to maintain and improve operations and customer service.

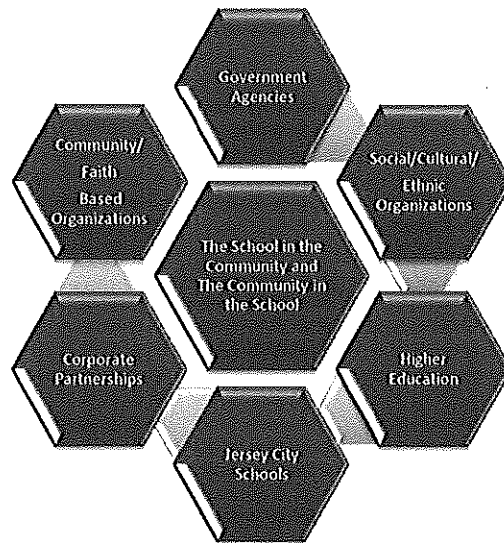
10. **RECREATION/EDUCATION. (DR. MARCIA LYLES, CHAIRPERSON)**

**Charge and Scope of Analysis**

"This committee will identify areas of common interest in which the City and the Board of Education can through joint action promote educational and recreational opportunities for the City's school children and the community at large. For example, the committee should examine how the City's recreation and cultural resources can be used to enhance the educational experience of school children. Similarly, this committee should examine how the Board of Education's school recreational facilities and other general purpose facilities, like an auditorium, can be used to the benefit of the entire community during non-school hours."

**Overview**

Strong schools build strong communities. In order for Jersey City to thrive, it must start with a strong, vibrant school system that educates all of the children to their full potential. A child's education does not begin or end at the school door, and we must ensure that our children have equitable access to high quality programs both in and out of school. Schools are often the beacons of their communities. Our schools represent promise, hope and a productive future. We must also remember that our communities are rich resources for our schools. Jersey City's diversity presents wonderful possibilities. This is our mandate for collaboration and the Fulop Administration must seize the opportunity to strengthen the home/school/community bond while fostering the concept of the school in the community and the community in the school.



**Department of Recreation/Jersey City Public Schools**

The Jersey City Department of Recreation states, "It is the primary aim of the Department of Recreation to oversee the provision of activities that are rich in leisure, culture and physical fitness to the residents of Jersey City." The Jersey City Department of Recreation provides an array of out of school recreational activities, from basketball, baseball and fishing to skiing, soccer and tennis, for the

children of Jersey City. Selected sites have “camps,” and the Jersey City Public Schools supports many of these activities with access to school buildings. The partnership during the summer is especially strong with many of the schools open for recreational activities including arts and crafts, basketball, board games, tennis and swimming.

### **Recommendations**

It is critical to design meaningful out of school programs, whether afterschool, on the weekends, or during the summer for the children and Jersey City. It is important to maximize every opportunity to engage students in productive activities that supplement the educational programs in schools and provide academic support and enrichment, foster responsibility, build relationships, and provide structured fun. When faced with, “nothing to do”, far too many of our youth are drawn into negative behaviors and activities. Many of our families do not have the resources or do not have access to vital information that would enable their children to participate.

We recommend that the Fulop administration:

1. Identify a senior staff member to serve as liaison and coordinate a coherent approach
2. Expand the menu of activities and hours of operation of the Department of Recreation
3. Build a stronger communication protocol to inform more members of the community of the offerings in Jersey City
4. Offer the right of first refusal to the district on unused municipal property
5. Explore city properties where shared space could be offered to schools and organizations
6. Provide more access to school facilities for non-profit organizations
7. Create safe outdoor play spaces
8. Advocate for change in NJ regulations regarding building school facilities
9. Cut the work hours for summer jobs to increase the number of jobs
10. Form partnerships with local businesses and large corporations to provide jobs and internships
11. Partner with universities to create/expand out-of-school activities
12. Utilize university students as mentors, tutors and advisors for after-school clubs
13. Look for opportunities for shared services and purchases
14. Explore more grant opportunities from state and federal governments and foundations
15. Create a special Jersey City Education and Recreation Program fund with 10 percent of tax-abatement revenues

Strong schools build strong communities, and it will take a strong partnership between the City and the JCPS today to provide experiences for our youth that will enable them to be prepared for success in whatever productive path they choose for themselves. We must collectively prepare our leaders of tomorrow.

## 11. IT INITIATIVES. (CANDICE OSBORNE, CHAIRPERSON)

### Charge and Scope of Analysis

"The City's IT strategy is important to the City and its future. This committee will examine IT practices throughout City government to identify how IT improvements can promote the administration of the City."

### Overview

Before any recommendations could be made, the team evaluated the current state of IT systems within the City, to help identify gaps in service and opportunities for improvement. While Jersey City IT operations are divided into civilian government and emergency services, the scope of this internal analysis was limited to the civilian government. A further analysis of emergency services is required.

The civilian IT department incurs annual contract expenses of about \$2M and employee expenses of about \$1M. Further investigation is needed to determine if these numbers accurately portray the full technology expense of the city.

- Datacenter: Among other things, these funds support a modern datacenter in Journal Square, which hosts network equipment, email servers, internet gateways for the entire civilian network, and a short list of vendor products used by various departments. The datacenter utilizes state of the art UPS and generator systems, and houses approximately 50 servers and several units of networking hardware. Of particular note are some financial software systems that deal with state-specific issues, which may pose unique challenges when considering implementing nationally recognized software systems.
- Wireless: The primary wide-area network for civilian government is a redundant 1 Gbps wireless hub on top of the Beacon, which relies on line-of-sight and occasional outages. While we suspect the wireless network is relatively cost effective, as the city becomes more reliant on technology, a greater degree of reliability of the network will become imperative.
- Website: The main Jersey City website is hosted by a third party (Serverside) and powered by a CMS solution from Ektron. While the CMS has capabilities for distributed content management that allow each department to keep information up to date for residents, it is instead used in a centralized fashion.
- Major Software: GovQA is a ticketing system that has been implemented for some time, but is not yet well integrated into workflows. Some departments use the system well; others do not.

In our analysis, we saw a pattern. A department determines a technology need, goes to bid, and the need is met for their department. Meanwhile, other departments could benefit from integration with the same technology platform. While this "siloeing" effect strikes us as mild compared to what it could be, there is definitely room for improvement in the area of cross-department systems synergy.

In the course of our internal analysis and research, we spoke to a number of employees and residents about their own ideas for potential improvements, which included:

- Document digitization



- Fax over IP or cloud-based fax
- Digitized agendas for council meetings (tablets)
- Cloud-based backups (replacing tape)
- City-wide intranet to serve as a repository for policies and procedures, contracts, and forms
- Online parking departments (permit applications, tickets, etc.)
- Online building department (permit applications, plan submissions, tracking, etc.)
- Contact information (departmental staff, council members, etc.)
- Updated website
- Increased social media

In total, the community submitted more than 600 ideas for technology improvements, and while not available in time for the publication of this report, those ideas will be consolidated and turned over to the Fulop administration for consideration.

### **Trends in Technology and Government**

Through extensive research as well as based on the experience of the transition team members, the following key trends were identified, both in general technology, as well as in technology as it is used by government:

- General Technology Landscape
  - Mobile Adoption: Mobile device market penetration rates now exceed 100% and more than half of adult cell phone owners use their phones to go online – frequently even in their homes and offices, where traditional fixed-line technologies are available. Offering services targeted towards mobile users could open entirely new avenues of citizen engagement.
  - Cloud Computing & Open Interfaces: The emergence of cloud-based services is enabling all types of public and private organizations to access technology services in efficient and scalable configurations that reduce the need to maintain expensive dedicated servers and infrastructure, thereby both reducing costs and enabling new remote access capabilities. Implementing cloud-based solutions and offering open interfaces to city services would enable Jersey City to offer more support options to employees, drive economies of scale, and encourage innovation in ways that would benefit stakeholders at every level.
  - Technology Governance: It has become increasingly common to have: 1) influential chief technology officers reporting to either the chief executive or the chief operating officer of an organization and involved in critical decision-making; 2) active, engaged governance committees consisting of executive and senior-level representatives of critical departments; and 3) a clearly-defined staff structure and established, reliably enforced decision-making processes
- Technology Trends in Government
  - Open Source Software: Open source software allows anybody to download, install, use and modify the code to meet their specific requirements. Adopting a policy of using open source software is philosophically aligned with open government policies and prevents governments from getting locked into a single-

vendor relationship, potentially becoming subject to their inability to perform over the long term and/or unfair increases in licensing fees.

- **User Friendly Website:** Citizens come to a city's website to complete an action or to find specific information, and top city websites are efficient and focused on enabling these users.
- **Mobile, Mobile, Mobile:** Government websites are becoming more "mobile friendly," displaying in a layout better suited for small screens. Mobile apps are also a part of this landscape, including those dedicated to reporting quality of life issues
- **Open Data:** Open data means that the information stored in one software system is made available to another software system via a "machine readable" format. Because the data is freely and easily assessable on a website, governments are able to achieve higher levels of transparency than they are by producing copies of information in non-readable formats as is currently the method of transparency for many government organizations.
- **Digital Agendas:** To cut down on the waste produced by printing agendas, reduce the time it takes to print them, and better accommodate last-minute changes, cities are starting to adopt interactive electronic agendas. Moving away from PDFs, interactive electronic agendas allow users to make notes and highlight the agenda.
- **Question & Answers Engine:** Answers engines have become increasingly popular over the last 4 years. Internet destinations such as Yahoo Answers, StackOverflow and Quora allow users to search and post new questions that can be answered both by other users as well as by experts. The answers are optimized for search engines like Google and can be delivered through mobile devices, phone or internet.
- **Technology Community:** Whether having hack-a-thons or even simple advisory boards, the cities that are the most successful at adopting and maintaining technological innovations are those that have nurtured a civic technology community made up of citizens.

### **Recommendations**

Though lagging in the adoption of modern technologies, Jersey City is well-positioned to take advantage of them. Doing so will provide more responsive services, improve the lives of residents and employees, create mechanisms to foster citizen engagement, and establish Jersey City as an innovator in the technology space. After examining market and government technology trends, as well as an internal analysis on the state of Jersey City's technology and community feedback, the Transition Team recommends that the following multi-year strategies be pursued by the Fulop Administration:

- **Leadership:** Organizations that reap the full benefits of technology do so by creating governance structures that avoid common pitfalls to maximize returns on investment. Focus on building strategic technology leadership – this allows all the crucial work of evaluating software, implementing a strategic technology vision, changing workflows and encouraging employees to adopt new technologies.
  - Hire Chief Technology Officer (CTO)
  - Complete a more thorough audit of all software and hardware
  - Develop a community Technology Advisory board

- Establish technology governance committee staffed with department directors and members of city council
  - Develop a yearly technology roadmap by scoring ideas sourced from the governance committee and the community technology advisory board.
- Connectivity: Departments often don't communicate with each other, and residents often don't know where to seek answers. Focus on software that enables more direct and efficient communication among city workers, between city workers and citizens, and among citizens.
  - License and implement Microsoft Lync to connect all city employees on instant messenger
  - Roll out text & email resident notification platform
  - Investigate alternative WAN network options to thwart any potential reliability issues with the WAN networking, from VPN/internet based solutions to private fiber.
  - Better integration between departmental systems by reducing the implementation of one-off solutions targeted to only a single department's problems and look for solutions that can be generally applied to the benefit of all departments.
  - Create integration points between police and public safety and civilian departments
- Responsive Government: From obtaining an event permit to opening up a business in Jersey City, the processes that residents must follow are often unclear and cumbersome. Focus on technology that improves efficiency and delivers faster turnaround on city services.
  - Begin using the content management system (CMS) in a distributed fashion by ensuring that departments create and update their own content before going to the communications team for reviews and approvals. The CMS supports an approvals process.
  - Use GovQA to its' full potential by empowering the Mayors Action Bureau agents to follow-up on cases and mandate the adoption/integration by more city departments and agencies.
  - Launch a pilot with a public interface to GovQA tickets status & overall reporting.
  - Adopt a community quality of life feedback tool
  - Establish the ability to pay for all permits online
  - Fully automate & digitize the entire permitting processes (events, parking, building)
  - Go "paperless" - fully digitize all city documents
- Mobile First: The market penetration and immediate nature of mobile location-aware technology has created new opportunities for governments to reach previously underserved communities and to interact with their constituents both more frequently and more effectively. Focus on projects that put mobile first; doing so will effect quicker and higher quality change.
  - Digitized council agendas.
  - Create mobile-web friendly version of the Website
  - Launch multiple pilot programs for utilizing mobile technology to empower city employees and engage with citizens.
  - Citywide integration of GIS / SDL for wider adoption of location-aware services
- "Open JC": Open, cloud-based interfaces improve efficiency, integrate previously disconnected systems, and enable third parties to offer solutions to previously intractable problems. Focus on software projects that create open interfaces (to allow ease of development and interoperation), more open and transparent government operations, and open data access.

- Implement cloud-based fax to reduce costs
- Move as many services as possible to the cloud. Initial considerations could include archival storage and backups, email & other communication systems. Other system migrations, including H&L and Sunguard financial systems, Spatial Data Logic and accompanying large dataset, networking equipment, centralized internet access with content filtering, should be carefully analyzed and done over time.
- Evaluate current website technology versus other open source content management systems
- Develop and create open public data sets that can be leveraged by 3<sup>rd</sup> parties
- Develop a project in conjunction with Code for America
- Evaluate open source and open data interface options for all technology projects funded
- **Public Safety:** While our investigation of the emergency services systems was minimal, we became aware that there are issues with the communications systems used by the Jersey City Fire Department, and we recommend these issues be addressed immediately. To the extent that civilian communications systems can be leveraged to support the JCFD they should be made available to do so. We also find clear consensus behind improving the Police Department website, both from a technology and content standpoint.

## **COMMUNICATIONS ANALYSIS & RECOMMENDATIONS**

### **Overview**

Local government, in general, has been handicapped by declining citizen confidence and decreased civic involvement. Opinion polls and a growing docket of initiatives signal citizens' belief that government officials neither listen to them nor believe they have significant influence on community decisions. This discontent is partly a reflection of the failure of local governments to communicate well with its citizens.

Much of the contact that citizens have with their government is related to the services they receive. A greater level of responsiveness will increase the level to which people value their local government.

Studies show that cities nationwide need to communicate more effectively about the value of government and its services and programs. A national survey conducted for the Council for Excellence in Government found that, while, nine out of 10 respondents could cite examples of the "biggest problems" with government, 42 percent could not name a success.

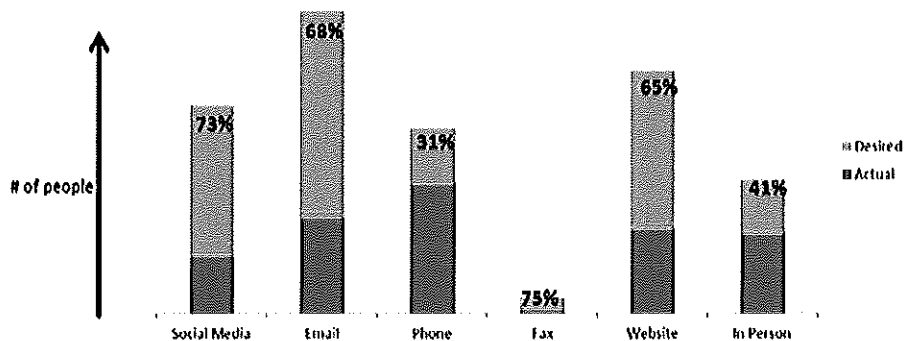
As with the technology side, an audit of the current communications practices was necessary to help identify gaps and opportunities. We found that there is a general lack of communication from the City to residents and businesses, particularly when it comes to information relevant for daily life (e.g., parking rules, emergency information, etc.). Our research showed that, in general, Jersey City residents and business owners have not had overly positive interactions with the city, do not know all of the communications channels currently available, nor feel they are getting all of the information they need.

There were a few key themes that came out of our research as well, particularly as they relate the type of communications residents and businesses have had with the City:

- Social media: Jersey City government has fundamental social media systems already in place - including a Facebook page and Twitter account - but they need expansion
- JCPD: Police department communications with both the press and the public are frequently untimely, outdated, and ineffective, as well as reactionary rather than proactive.
- Emergencies: Perhaps at no other time than during emergencies does effective communication matter. During Hurricane Sandy, residents felt there was a lack of communication from the City. They instead turned to other cities (Hoboken) or to commercial sites (PSE&G).
- Communication vehicles: Most residents *would prefer* to communicate with the City via email (followed by website, social media, and then phone). In addition, most would like to be able to access services – order parking and building permits, for example – online and would like to see an updated website and increased in social media.

More specifically:

- Resident satisfaction with their last 3 interactions with the city
  - The majority, 55% of residents, rated their satisfaction as worse than “all right”
  - 26% of residents rated their satisfaction as just “all right”
  - Only 19% of residents rated their satisfaction as better than “all right”
- Resident understanding of technology the city uses to communicate
  - Most residents know that there is a website
  - Far fewer residents know there is a Facebook and Twitter feed
- Actual vs. desired ways residents communicate with the city
  - The largest numbers of residents want to get information by email, followed by website and social media
  - The city performs best at the phone and in person, but there are still ample opportunities to improve those channels’ performance



There is a gap between how residents want to get information and how they actually get it, which is primarily driven by three key factors:

- lack of response from city government to inquiries through the channel;
- lack of quality information delivered through the channel;

- lack of knowledge that the communication channel existed.

### **Trends in Communication and Government**

Research into the general landscape shows that traditional means of communication are on the decline. Fewer people get their news from newspapers, turning instead to web-based news sources, blogs and social media. Reliance on "landline" telephones has also declined, with mobile usage rising both for calls and internet access. Websites are increasingly crucial ways to inform, create efficiencies and engage audiences.

Meanwhile, municipalities worldwide are working to provide information in multiple formats, new ways for users to submit requests or complaints, and to enhance overall dialogue between government and citizens.

Cities benefit from establishing multiple communication channels for citizens to engage in conversation with government, rather than receiving one-way contact from government. The best-supported government policies result from collaborative efforts among government, citizens, stakeholders, and the civic and religious organizations. Government must communicate regularly with community organizations and engage and listen to citizens and key stakeholders. Citizens will be more inclined to become involved if they believe that their efforts can make a difference.

The most effective community involvement programs use a combination of approaches to reach a cross section of citizens. A rapidly changing world – and equally rapidly changing technology – offers local governments ever quicker and more cost-effective ways to disseminate information, provide services, and receive feedback. Other cities have made effective use of open houses, block parties, keynote speakers, microsites (for adults and kids), social media, mobile sites, mobile apps, email notification, cable TV, citizen academies, staff training, and other approaches for providing information and starting conversations.

Local governments are trying new approaches to make it easier for citizens to express their opinions and for local officials to understand citizen needs. More open ways for the city to receive complaints and requests from the people living in them will make government more responsive and efficient. Cities and counties can use data from multi-channel contact centers to identify high complaint areas, specific needs for workload and resource allocation, trends in business processes, customer communication requirements, and government effectiveness and timeliness in addressing problems.

### **Recommendations**

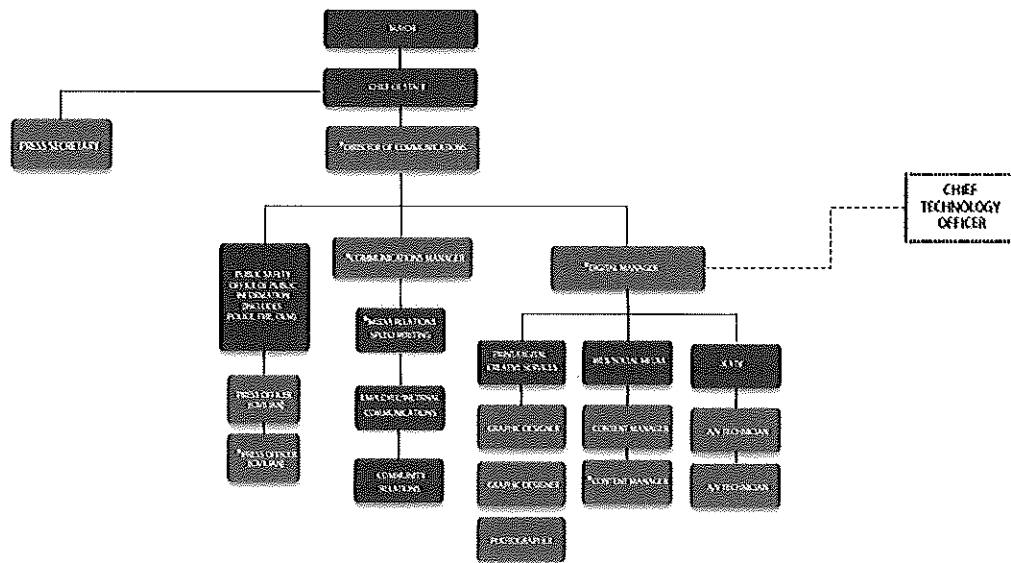
By embracing a modern, effective communications plan, Jersey City can position itself as a world-class mid-sized city – one that uses both traditional channels and timely technology (including social media and the web) to give residents, business people, and visitors access to information when and where they need it. Additionally, the city will "re-brand" itself as a safe and supportive place to live, work and visit. Specific recommendations include:

- Communication leadership: A relatively simple restructuring of the Mayor's Office of Communications – along with modest, budget-appropriate staff increase as needed – will make the city more responsive to traditional and newer media, as well as unite departments and agencies in a more cohesive message. (See proposed organization chart below)

- Restructure Mayor's Communications Office
- Create a Public Safety Public Information Office - similar to that of other cities its size - to improve the dissemination of police information on a timely basis
- Encourage the JCPD press to work with community groups, develop website and social media content, and educate residents and businesses about proactive safety measures.
- Create a dedicated Office of Emergency Management public information office to help improve communication around emergency situations (natural or man-made)
- Develop an internal communications protocol for employees (e.g. all employees must use and respond to email)
- Identify key spokespeople in the city (and outside of city government as appropriate) and offer senior management media training
- In conjunction with each department, develop an external communication plan to facilitate knowledge sharing with constituents
- Develop an internal communications plan to facilitate knowledge sharing across departments
- Engage residents with their city: The city will connect with more residents by communicating across a broader range of social media channels, expanding the number of city services available online, and initiating conversation with key community spokespeople.
  - Establish monthly or bi-monthly community forums (similar to transition community meetings) in each ward to hear directly from the residents
  - Establish regular/weekly office hours for Mayor and City Council members
  - Create a Public Safety Public Information Office (envisioned above) to (as part of its mandate) engage with community groups on public safety issues
  - Constituent conversation will also benefit from improvement of such traditional (though sometimes less effective) service-access methods as telephone, email and walk-ins.
  - Volunteer clearing house for grassroots involvement in government services
- Promote Jersey City as a tourist, cultural and commercial destination: Jersey City should receive a focused "rebranding" effort in the areas of tourism, business, cultural identity, and responsiveness to residents.
  - Rebrand Jersey City
  - Partner with HC Chamber of Commerce and NJ Division of Travel and Tourism on outreach to businesses and residents
  - Partner with city attractions like State of Liberty, Loew's, Barrow Mansion etc. to leverage the city's importance as a metropolitan area destination.
  - Establish tourist-oriented web pages
  - Initiate a tourism marketing campaign & a business development campaign in collaboration with appropriate city departments and agencies
  - Provide information and tools online for small businesses
- Better utilize technology that facilitates communication: Broadened and improved use of web-based and social-media communications can make the city much more user-friendly to residents and businesses.
  - Bring technology that supports communications into the 21st Century
  - Redesign city website
  - Explore constituent feedback and communication services (e.g. 311, email, text, See-Click-Fix, etc.)
  - Revamp content on website on a department by department basis

- Adopt *social listening* tools to keep its attention on relevant social media (e.g. Facebook, Twitter, the blogosphere, message boards and on-line news portals).
- Create a City of Jersey City “YouTube” channel with video from council meetings, city events and press conferences, as well as mayoral blog
- Promote existence of existing social media channels
- Expand social media channels to include Instagram, tumblr, Flickr, and Pinterest

## MAYOR'S OFFICE OF COMMUNICATIONS

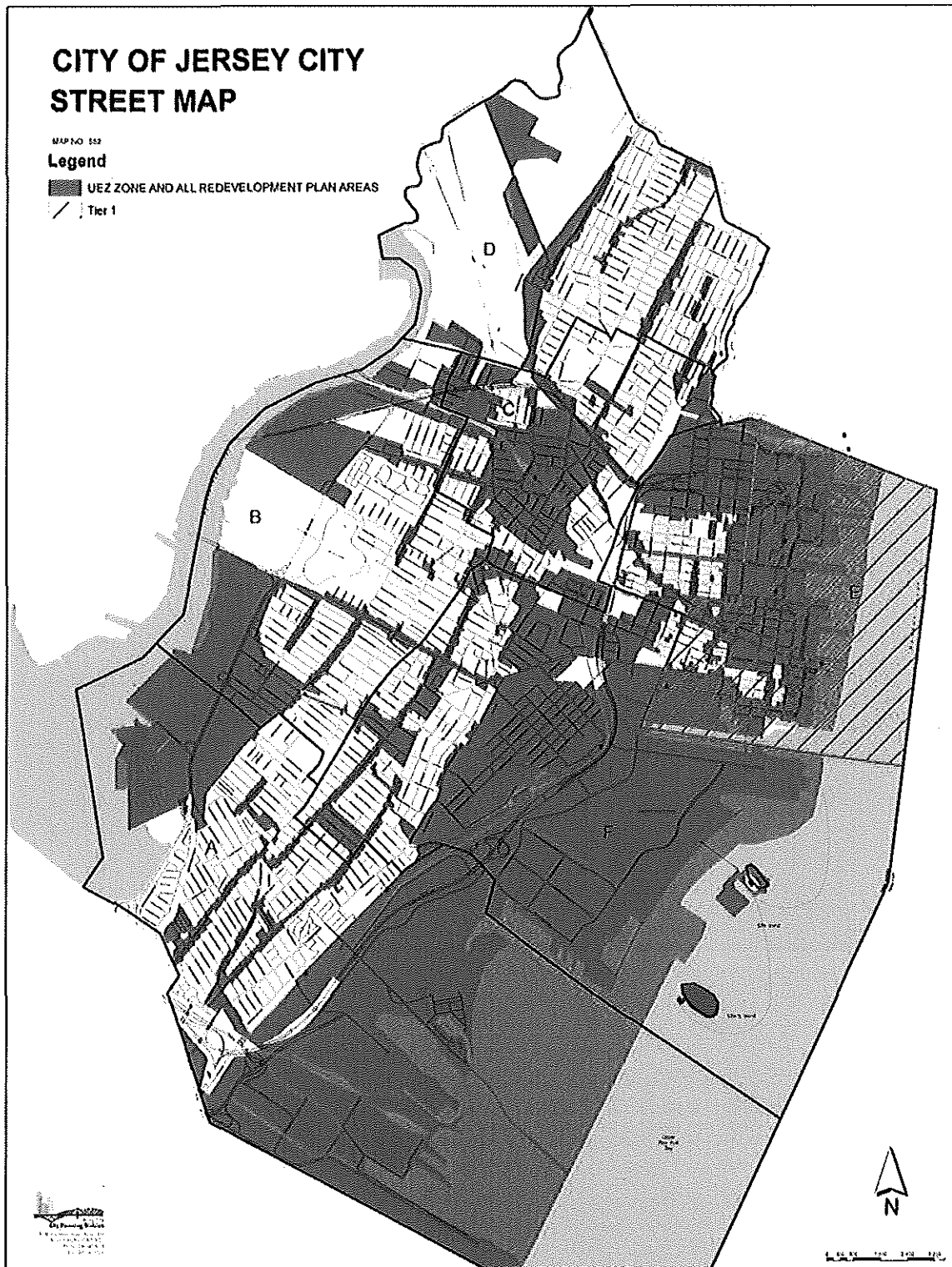


■ = EMPLOYEE  
 ■ = OFFICE/FUNCTION  
 ■ = NEW HIRE

June 15, 2013 | VERSION: 2.1



## APPENDIX A



## APPENDIX B

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Bayfront	Bayfront LLC (Public Private Partnership)Honeywell, the City & JCRA	Approved	Yes	Active	100 acre mixed use development site. Multiple committees set up between Honeywell & the City. Quarterly meeting scheduled regularly.	Yes. All tied into ongoing remediation & relocation of City departments i.e. DPW/JCIA.
Beacon (formerly JCMC)	Beacon Redevelopment LLC (Building Land Technology)	Approved	Yes	Active	Multiple building rehabilitation into residential units. Project recently awarded Urban Transit Tax Credit for \$33mil from NJEDA	Yes. Ongoing conversion of the buildings continues.
Betz Brewery	JCRA	Approved	Yes	Completed	Site of Community Center/Charter School @ 9th Street. As of 6/30/13, no tenant will be occupying this coming school year.	N/A. The City used bonds to pay for the construction of the Community Center. This site could be marketed as potential development site and revenue generated from a sale could defease the bonds.
Boland Street	769 Montgomery Street Assoc (Imperial Construction)	Approved	Yes	Completed	36 residential units @ 769 Montgomery St.	N/A

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Bright St	Franklin Development Group	Approved	No	Active	Mixed income (20% affordable) development @ 28 Bright Street. JCRA looking move its offices to bldg. JCRA & Redeveloper negotiating terms of the RDA.	Presently being negotiated.
Bright & Varick	Rushman & Dillon LLC	Approved	Yes	Active	81 Micro Unit project. JCRA discussing w/BOE about removal of trailers & relocating possibly to JCRA 9th Street Center/School temporarily	Yes. Schedule would need to be adjusted to align w/BOE vacating.
Cambridge & North	Franklin Development Group	Approved		Completed	16 residential units, mixed income development.	N/A
Canal Crossing	Hampshire Urban Renewal Company, LLC (Hanson Group, Plymouth Financial, Chris Daggett)	Approved	Yes	Active	17 acre site @ 900 Garfield. Hampshire attempting to sell/transfer the site to PPG Industries as responsible party for clean-up for residential development.	Yes. New schedule should be created based upon either PPG clean up or transfer to PPG. New administration direction need on transaction.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	PPG Industries	Approved	No	Active	PPG is looking to acquire 13 acres to the south of 900 Garfield for redevelopment in conjunction with their environmental clean up. Negotiation continue w/JCRA over the RDA.	Schedule to be negotiated based on acquisition of properties and chromium clean up.
	The Colonies at Canal Crossings TRF ( The Reinvestment Fund)	Proposed	No	Active	TRF proposal for affordable/mixed income live/work development on City property on Commercial Street.	To be negotiated.
Caven Point	WA Golf LLC (Fireman Companies)	Approved	Yes	Active	Liberty National Golf Course. JCRA negotiating conveyance of two remainder parcels. Redeveloper has master plan for residential units within the property.	Yes. Update should be provided for residential units. However current market conditions may not warrant as a for sale/condo development.
Claremont	Black Bear LLC (Lance Lucarelli)	Approved	No	Active	Adjacent to Danforth Light Rail Station. Redeveloper is proposing interim uses while seeking financing to develop residential	To be negotiated.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
					project.	
Dixon	The Morris Companies	Approved	Yes	Completed	Redevelopment of the Dixon Crucible Pencil Factory in residential units aka Dixon Mills.	N/A
Droyers Point	K. Hovnanian Companies	Approved	Yes	Completed	Three phased residential project aka Society Hill.	N/A
Exchange Place & Exchange Place North	Evertrust Company Limited Partnership	Approved	Yes	Completed	Evertrust Office Tower	N/A
	EQR Lincoln North Pier (Lincoln Properties)	Approved	Yes	Completed	Residential development on north pier in Harborside	N/A
	Liberty Center Associates (Dean Geibel)	Approved	Yes	Completed	Trump Tower on Washington Street	N/A
	Morgan Street Developers Urban Renewal (KABR & the Kushner Companies)	Approved	Yes	Active	Second Tower next to Trump Tower on Washington Street.	Yes. On schedule to begin perhaps late '13 or early '14.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Grand Street	G & S Grand Street (G&S Investors)	Approved	Yes	Active	Redeveloper is looking to acquire final site within the project area. Plans call for a retail development along Grand Street.	Yes. Redeveloper will acquire remaining parcel privately or through JCRA eminent domain. Redeveloper could also reconfigure site not include if necessary.
	Grand Jersey Waterfront Urban Renewal (Mack-Cali/Roseland & Garden State Development)	Approved	Yes	Active	Redeveloper is finalizing environmental and planning studies to move forward. Redeveloper paid \$700,000 as deposit towards land in 2009.	Yes. Redeveloper given updated timelines to move forward or terminate.
	City owned parcel behind JCMC	Proposed	No	Active	Discussion on going on course of action for site. Possible deal w/JCMC to expand parking & other uses.	To be negotiated.
	The View I & II	Proposed	No		Sites commonly known as the View are being marketed for a multi phase/high density project along Jersey Ave & Mill Creek.	There is no RDA in place for this project. However we have heard it has been marketed as potential development site with 1500 units or more.



Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Greenville Industrial	Barrett Urban Renewal Corp	Approved	Yes	Completed	Construction of Greenville Industrial Park. Home to Summit Import, Preferred Freezer & Keystone Property Trust	N/A
Gregory Park		Approved	Yes	Completed	Gregory Park Apartments	N/A
Grove and Mercer	Mercer Arms Development (Gerry Bakirtjy)	Approved	Yes	Completed	Two buildings 44-46 Mercer & 47-49 Mercer Street. Rehabilitation into market rate rental units	N/A
Grove Street NDP		Approved	Yes	Completed	Construction of one & two family homes back in the late 70's.	N/A
Grove Street II	KRE Group (Murray Kushner/Jeff Persky)	Approved	Yes	Completed	High rise residential tower at Grove Street Plaza/PATH.	N/A
Hackensack River Edge	AMB Prologis Pulaski	Approved	Yes	Under construction	876,000 sqft of warehouse currently under construction. Tenants include PEAPOD & Imperial Bag Company.	Yes. Schedule <u>should</u> be modified to align current schedule.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Harimus Cove Station	Avalon Bay	Approved	Yes	Completed	Avalon Bay development on Washington Street	N/A
	G&S Investors	Approved	Yes	Completed	Metro Plaza (Shop Rite, BJ, Bed Bath Beyond etc.) Redeveloper recently amended the Redevelopment Plan to allow new mixed use high rise development site.	Yes. A new schedule would need to be created when the residential project takes shape.
	Mack Cali/Roseland & Garden State Development	Approved	Yes	Active	Marbella Tower completed. Proposed towers for Marbella South & San Remo. JCRA would transfer density/floor area ratio for a fee from its underwater property to the sites to develop additional units.	Yes. Site plan approval granted for Marbella South. San Remo would come on line after a lease up of Marbella South.
	The "A" Condos	Approved	Yes	Completed	The A condos on Washington Street.	N/A
	Second Street Partners (Fisher Development)	Approved	Yes	Completed	Crystal Pointe residential tower. JCRA will own a small office for its marina project.	Yes. JCRA needs to close out the transfer of the office unit & an easement for marina use.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	JCRA Marina Site	Pending	No	Active	JCRA is negotiation with the Owner & Operator for Cornucopia Dinner Cruise Lines to lease space and create destination for river boat restaurant & catering facilities.	A previous RFP allowed JCRA to negotiate with a marina operator from Maryland. The build out for the marina according their numbers/experts would be cost prohibitive.
Henderson Street South	CaHa Realty	Approved	Yes	Completed	Construction of one & two family homes back in the late 70's.	N/A
Hoboken Avenue	Hoboken Brownstone Company (George Vallone & Danny Gans)	Pending	No-Designation expired.	Active	On going negotiations for JCRA owned property at 100 Hoboken Avenue. 138 residential units proposed.	No RDA finalized. JCRA continues to negotiates the terms of the RDA w/Redeveloper. If the RDA is agreed upon, construction schedule would be part.
Journal Square 2060	MEPT JSQ	Approved	Yes	Active	The project is out of status on its construction start timeline. MEPT has marketed the site for a JVP or outright transfer. Entered into a LOI w/KRE for JVP. Currently negotiating.	NO. MEPT has not commenced construction of the project according to the schedule. A revesting of the property could take up to 2 years. Plus the ability to find willing buyer may also be challenging.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	KRE Group JSQ (Murray Kushner/Jeff Persky)	Approved	Pending	Active	Three phased mixed use (primarily residential) with 1800 units. KRE recently received Urban Transit Tax Credit for \$33 mil from NJEDA. Working on seeking tax abatement from the City. Redevelopment agreement currently being negotiated.	To be negotiated.
	87 Newkirk Street LLC	Approved	Pending	Active	87 Newkirk St. 60 market rate units. JCRA & Redeveloper negotiating the Redevelopment Agreement.	To be negotiated.
	2854 Kennedy Blvd Associates (Harwood Properties, Panepinto, IronState-formerly Applied & the Alpert Group)	Approved	Yes	Completed	Former State Theater site. Now high rise residential tower on Kennedy Blvd in JSQ.	N/A
Lafayette Park	Gargant Inc	Approved	Yes	Completed	24 residential units at the corner of Pacific & Whiton.	Yes. Redeveloper changed from for sale to rental during economic downturn.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Liberty Harbor North	Grand LHN I-IV (KRE/Ironstate)	Approved	Yes	Active	Multiple development sites within LHN including 225 Grand (completed), 18 Park (under construction) & Boys Girls Club (approved)	Yes.
	Peter Mocco/Mocco related entities	Approved	Yes	Active	620 residential units built to date. Potential for additional 8,000 units over 45 acres.	No. An outstanding issue of affordable housing and payment to the City still unanswered. Need to resolve. A new schedule <u>should</u> be created to align all the future development of the sites. Difficulty in determining what site may or may not go next.
	Park Liberty (Fisher)	Approved	Yes	Active	990 residential units in 2 towers.	Yes. Redeveloper currently developing site plan for the project. Target start date 2nd quarter 2014.
	Tramz Hotel	Approved	Yes	Active	200 room full service hotel	Yes. The amended RDA tighten their start schedule to no later than 6 months after the Fisher Development starts.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	Park Liberty Landing (Wendy Neu, wife of the late John Neu & Rob Freeman)	Approved	Pending	Active	3 residential towers containing 1000 units with 45,000 sqft of retail & 30,000 sqft community space.	Given the untimely death of John Neu, we are working through the process of negotiating the RDA.
Majestic	Silverman	Approved	Yes	Completed	Renovation of the Majestic Theater into residential units	N/A
Majestic II	Silverman	Approved	Yes	Active	7 story with 99 residential and 11,000 sqft of retail	Proposed start by 3rd Qtr 2013. Schedule should be updated to align with current activities.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
McGinley Square East	Trinity Acquisitions & Development (Gary Flooco)	Proposed	No	Active	Proposed mixed use development residential, retail etc within the McGinley Square East.	No. First the area is an area in need of rehabilitation not redevelopment so JCRA had <u>no authority</u> to acquire property on behalf of the Redeveloper. The Redeveloper attempted to voluntarily acquire properties privately. The Redeveloper changed from market rate based development into low income tax credit deal for sites. Also he attempted to attract lower quality retail tenants into the project.
MLK Drive	MLK HUB Brandywine/Universal	Approved	Designated	Active	JCRA has negotiated a lease with Brandywine/Universal. Brandywine has served as manager for the HUB for the 5 past years. The lease is up for approval by the JCRA Board of Commissioners.	JCRA & Brandywine continue operate under the intent to enter into a formal agreement for the HUB Shopping Center

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	336 MLK Drive	Pending	LOI	Active	CVS Pharmacy to be located at the HUB Shopping District	JCRA & Brandywine negotiated a ground lease with CVS. CVS has issued a LOI, waiting for final corporate approval
	JP Affordable 194-212 MLK	Approved	Yes	Completed	39 affordable low income housing units.	
	Jackson Greene TRF (The Reinvestment Fund)	Approved	Yes	Active	22 mixed income townhomes (Emerging market & affordable)	Yes. Currently under construction with a few units already sold.
	Jackson Commons Future Phases (various sites within HUB District)	Proposed	No	Active	Proposed 58 mixed income/for sale & rental units.	Future phases for Jackson Commons to be negotiated.
	Dunkin Donuts 355-361 MLK	Approved	Yes	Active	Construction of Dunkin Donuts restaurant on MLK Drive.	Yes project on schedule.
	311-315 MLK Drive (Alliance Construction)	Approved	Yes	Active	Mixed use development with 10 affordable units and ground floor commercial/retail space	Project under construction although schedule start was delayed and missed completion date. Schedule should be updated to reflect current conditions.
	Genesis Partners MLK Webb Apartments	Approved	Yes	Completed	39 units Low income housing tax credit project. Achieved LEED	Project completed.



Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	(Karim Hutson)				Silver certification for the project.	
	Crazy Greek	Approved	Yes	Active	Temporary use for parking to accommodate patrons of the Crazy Greek Restaurant	Further plans call for an expansion of the existing Crazy Greek restaurant.
	Harriet Tubman Homes (Franklin Development Group)	Approved	Yes	Completed	8 mixed income for sale units (3 emerging market; 5 affordable)	This was JCRA's first CHOICE emerging market project. Originally slated for 6 emerging market units, the project was reconfigured due to lack of market demand.
Monticello Ave	167-169 Monticello (Garden State Development CDC)	Approved	Yes	Completed		N/A

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	Whiton Street Associates/Main Street Developers (Michelangelo Russo)	Approved	Yes	Active	Multiple phased project on Monticello, Fairview & Fairmount	NO. The Redeveloper is being foreclosed by the primary lender. Also had outstanding loan with NJRA (State Redev Authority). Redeveloper tried to get the City undertake different financing mechanism including 108 Loan. The site/project will need direction once the lender finalizes the foreclosure.
Morgan Grove Marin	Silverman	Approved	Yes	Active	300 unit with 30,000 sqft commercial live/work space, community theater & ground floor retail.	Yes. However with the recent amendment to the Redevelopment Plan, the Schedule & other related issues should be modified to reflect the changes.
Morris Canal	100 Monitor	Approved	Yes	Active	200 unit residential project	No. The project has not delivered within the timelines under the RDA.
	The Morris former Block 2073	Approved	Yes	Active	200 unit residential project	No. Since the Redeveloper closed on a large piece of property, the project has not delivered within the timelines under the RDA.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	Johnston II	Approved	Yes	Active	Vacant land on Ash St.	JCRA has defaulted the previous redeveloper for failure to comply with the RDA.
	Grand Liberty	Approved	Yes	Active	Residential development site on Pine, Whiton, Ash Sts.	No. Redeveloper had acquired some of the properties but was not able to obtain additional financing for the remainder and the construction.
	Berry Lane Park	Approved	N/A	Active	17 acre park on Garfield Avenue	Construction continues to develop the park. Additional funds required to finish build out and acquisition of adjacent warehouse.
	Ideal Supply Company	Approved	Yes	Active	Expansion of the Ideal Plumbing Supply Co on Communipaw Ave.	Yes. Financing obtained to move forward with the expansion plans
	Team Walker	Approved	Yes	Active	Team Walker Community Center for after school & outreach programs.	Schedule should be updated to align with current activities.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
	317-319 Pacific Ave (Morris Canal Community Development Corp.)	Approved	Yes	Active	9 affordable units & 1 unit for the MCRACDC offices.	No. Although the project is nearing completion, it took many years to start. In dispute with contractor.
	Mecca Development	Approved	Yes	Active	Mixed use development on Johnston Avenue	No. Redeveloper had attempted to acquire a remaining property that was tied with former Hudson County ASPCA
	Johnston Station	Approved	Yes	Pending	Proposed residential site on industrial building the intersection of the Light Rail @ LSP.	No. Redeveloper has defaulted on loan with NJRA. NJRA has sought JCRA assistance in defaulting the Redeveloper on the JCRA agreement.
	Garden State Episcopal CDC/291-297 Halladay Street	Approved	Yes	Active	4 affordable two family homes	Project is under construction and on schedule.
Newport	LeFrak Organization	Approved	Yes	Active	The Newport Area Redevelopment Project	Yes. The LeFrak Organization continues to redevelop the area. Schedule of proposed development sites varies due to market conditions.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Ocean Avenue	Ocean Pointe East & West Jersey City Housing Authority	Approved	Yes	Completed	58 Senior units consisting of one & two bedrooms.	Project completed.
Powerhouse Arts District	The Powerhouse (The Cordish Companies)	Approved	Yes	Active	Destination retail development site similar to the Cordish Power Plant in Baltimore.	Multiple levels need to be addressed. 1. Conveyance of the Powerhouse to the City & conveyance of the adjacent "triangle" property to Port Authority/PATH for new substation. 2. PATH transformers still operating while new substation being built. 3. Cordish undertaking work during this period. 4. Funding the project through different financing options. 5. Alternative uses if funding gap too large.
Summit Avenue	Summit Heights (Franklin Development Group)	Approved	Yes	Completed	45 mixed income units (30 emerging market units; 15 affordable units)	The project used different funding sources to undertake the project including an off site commitment from a Downtown development site.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
Tidewater	Lincoln Property Co.	Approved	Yes	Completed		
	Trammell Crow	Approved	Yes	Completed		
	Fulton Landing LLC	Approved	Yes	Completed		
Turnkey	Genesis Ocean Avenue LLC (Karim Hutson)	Approved	Yes	Active	60 unit affordable development on 441-453 Ocean Ave	No for the schedule start. JCRA & Redeveloper still working closely on seeking financing options. Redeveloper is seeking LIHTC with NJHFMA. This is 3rd attempt at obtaining the tax credits for the project. The site is contaminated from a former dry cleaner. JCRA has EPA \$\$ to clean site. There remains one parcel left to be acquired.
Water Street	K. Hovnanian Companies	Approved	No	Pending		This was scheduled to be private acquisition/market rate deal for various properties in the Water Street Redev Area prior to the market downturn. K. Hov walked away from the project during that period as lending got tighter.

Redevelopment Area	Name of Redeveloper and/or Project	Proposed or Approved	Redevelopment Agreement/MOA or MOU	Status	Project Description	Schedule Compliance
23-25 Duncan Avenue	Franklin Development Group	Approved	Yes	Completed	24 mixed income units (16 emerging market units; 8 affordable)	The project used different funding sources NJHFMA Choice and City HOME & CDBG funds to undertake the project.
8 Erie Street	Bruneschelli Construction (Alphonse & Anthony Corrino)	Approved	Yes	Active	16 market rate units at 8 Erie Street, the former JCPD HQ.	Yes project on schedule.
	307 Barrow St, LLC (Arthur Pronti)	Approved	Yes	Active	28 market rate units on First Street next to 8 Erie	Yes project on schedule.

## APPENDIX C



# Jersey City Redevelopment Agency



## 1. Purpose/Mission:

JCRA believes that the strength and health of a great City is measured by the economic, housing and recreation opportunities that a City provides to its residents. The Board of Commissioners of the Agency and its staff are committed to partnering with the City of Jersey City in creating responsible and sustainable growth of Jersey City that elevates the quality of life in all neighborhoods of Jersey City. To accomplish this, the Agency is committed to providing the residents of Jersey City with the widest range of housing, economic and recreation opportunities which will rival any city in the country today.

The Agency's Guiding Principles: Enhance the quality of life and improve the economic and housing opportunities that are available to our residents. The key measure of our success is our continuous commitment to build great sustainable communities throughout Jersey City.

We are committed to building strong, viable partnerships with the community that we are working in and the redeveloper that helps to rebuild their communities.

We expect all employees to perform their duties in an honest, ethical manner at all times and to maintain the respect, trust and confidence of the residents of Jersey City and our redeveloper clients.

We value each employee and the professionalism they bring to the Agency. We provide an environment where employees can achieve their best work and their highest level of performance.

## 2. Key Facts:

Since 1949, the Jersey City Redevelopment Agency (JCRA) has been Jersey City's public partner in housing, commercial, neighborhood and economic development. Working in collaboration with other City departments and agencies involved in housing and economic development, JCRA is dedicated to revitalizing, refurbishing, and redeveloping economically underserved areas of Jersey City. JCRA projects and programs increase the supply of housing for low/workforce families, provide infrastructure for commercial and industrial development and create quality permanent empowerment through real estate development. Our mission is to make strategic investments to create economic opportunities and improve the quality of life for the people who live and work in our neighborhoods.

JCRA redevelopment activities are managed through eighty (80) redevelopment areas. The JCRA is an autonomous public agency established to:

Attract private investment and capital into economically depressed communities  
 Eliminate slums, abandoned or unsafe properties, and blight throughout Jersey City  
 Revitalize older neighborhoods through responsible new development and historic preservation  
 Build, sponsor and promote housing for all income levels  
 Encourage economic development  
 Create and retain employment opportunities  
 Support the best in urban design, architecture and the arts  
 Seek the broadest possible citizen participation in its activities.

A Board of seven Commissioners appointed by the Mayor and confirmed by the City Council oversees the JCRA. The Commissioners provide oversight and vote on all JCRA policies, projects, and the annual budget. The Executive Director appointed by the Board, directs the staff and works in close collaboration with other city departments involved in housing and economic development.

3. Critical Needs/Top Issues:

- a. A durable funding source for Agency operations.
- b. Relocation for the Agency to move to 28 Bright Street
- c. Open communication with Mayor's office, HEDC and other municipal partners of the Agency
- d. Coordinated overall development and economic development policies for the City of Jersey City

4. Number of Employees:

10 fulltime / 3 part-time

5. Budget:

\$1,551,232

6. Staff Budget:

\$1,138.862

7. Facility Location(s):

66 York Street, Jersey City, NJ

8. Top Staff Executive

Robert P. Antonicello, Executive Director  
 Christopher Fiore, Assistant Executive Director

9. Debt Load for Authority:

Payment of the City's Bonds used to construct the Betz-Community Center - \$9,104,000, under the Cooperation Agreement between the Agency and the City. The Agency shall act diligently and reasonably to obtain revenue from such leases in order to permit to the extent reasonably possible, full reimbursement to the City of the annual amount needed by the City to pay the principal and interest due on the Bonds. (See Question #16)

10. Primary Funding Source:

Redeveloper Fees and CDBG Admin through Project

11. Recommendations:

12. Current/Future Policy Initiatives:

- a. Creation of Development Oversight Committee. To open lines of communications between various members of the Development Team under the Administration. Mayor or appointee/designee, HEDC Director, Planning Director & JCRA Executive Director. Would also create single point of entry for the Development Process.
- b. Identify Priority Growth Zones for Development. Journal Square, McGinley Square, MLK/Monticello, Lafayette/Greenville should receive primary focus as Priority Growth /Redevelopment Incentive Zones. Canal Crossings & Bayfront should also be identified as Brownfield Priority Growth Zones. 18<sup>th</sup> Street & Jersey Avenue should be considered a Transit/Infrastructure Growth Zone.
- c. Point of contact for JCRA to address issues that arise during the redevelopment process.
- d. Consider use of different funding mechanisms for development projects. Redevelopment Area Bonds, State Economic Redevelopment Growth Grants (ERGs the State's equivalent of Tax Increment Financing- TIF) & New Market Tax Credits are a few options. Portions of PILOTs could be used to pay off debt for some of these mechanisms.
- e. Expand use of Affordable Housing Trust Fund. Use for acquisition of abandoned buildings or vacant land. Consider expanding a portion of the fund for workforce housing (up to 120% of area median income).

13. Technology:

- a. JCRA is in need of scanning files to access from computer/desktop. There is a cost involved but JCRA too reliant on paper inventory of file
- b. Staff uses the new City issued computers at their desks.
- c. 4 staff members were issued Blackberries from the City.

d. Office set up with wireless capabilities which allows for staff & guest to access within the office.

14. Key Contracts: Nature: Counterparty: Term:

John J. Curley, LLC, General Counsel & Special Legal Counsel Services  
8/22/2012 through 8/21/2013

McManimon & Scotland, LLC, Special Legal Counsel  
8/22/2012 through 8/21/2013

Scarinci & Hollenbeck, LLC, Special Legal Counsel  
9/30/2012 through 9/29/2013

Golub & Isobel, Special Legal Counsel  
Contract term ended 4/17/2013

AMEC, Environmental Services  
Contract Term Expires June 13, 2013

Langan Engineering, Engineering Services  
Expires January, 2014

Beyer Blinder Belle, Planning/Consulting  
Through March, 2014

Helena Ruman Architects, Architectural and Engineering Services  
February, 2013 through February, 2014

Gramarcy Group, Demolition Services  
Bid

Creamer Environmental – remediation at Berry Lane  
Bid

T&M Associates – Canal Crossing infrastructure studies  
Term

Dresdner Robin – environmental work at berry lane  
Term

Cooperation Agreements with City:

Berry lane - design, acquisition, remediation, etc to develop the park.  
Expires February 2014.

Mill Creek – environmental, permitting, design of improvements.  
Expired in 2009.

900 Garfield Ave – sale of property.

Expired April 2011. Minimum payment to city of \$4M, up to \$11M, with various milestones for payment

Miscellaneous:

Agreement with PPG for the remediation at Berry Lane – no date/term. PPG reimburses JCRA for cost of remediation. Will expire when remediation is completed.

Grand Jersey Brownfield Development Area – MOU with DEP, City, JCRA – just renewed, good for one year, no \$.

15. Debt Load:

Existing Cooperation Agreement between the Agency and City dated March 27, 1998 for construction of the Betz-CERC for operating as a community center.

Total Debt Outstanding: \$9,104,838.94

Annual Debt Service for the near term (3 years):

<u>Year</u>	<u>Unpaid Interest</u>	<u>Principal</u>	<u>Total</u>
2013	\$262,264.14	\$490,224.08	\$752,488.22
2014	\$241,403.54	\$500,840.76	\$742,244.30
2015	\$219,581.56	\$12,574.99	\$732,156.55

Upcoming Maturities for the near term (3 years):

None.